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VOLUME 12 NUMBER 241

Washington, Thursday, December 11, 1947

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 9909

EXEMPTING THE DISTRICT COURT OF THE UNITED STATES FOR PUERTO RICO AND THE DEPARTMENT OF JUSTICE FROM MAKING THE REPORTS PROVIDED FOR BY SECTION 49b (2) OF THE ORGANIC ACT OF PUERTO RICO, AS AMENDED

By virtue of the authority vested in me by section 49b (2) of the Organic Act of Puerto Rico, as amended by section 6 of the Act of August 5, 1947, Public Law 362, 80th Congress, it is hereby ordered that the District Court of the United States for Puerto Rico and the Department of Justice shall be exempt from making the reports to the Coordinator of Federal Agencies in Puerto Rico which are provided for in such section.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 9, 1947.

[F. R. Doc. 47-10957; Filed, Dec. 10, 1947;
10:40 a. m.]

**TITLE 5—ADMINISTRATIVE
PERSONNEL**

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

LISTS OF POSITIONS EXCEPTED

1. Under authority of § 6.1 (a) of Executive Order 9830 and at the request of the Treasury Department, the Commission has determined that certain additional positions in the United States Savings Bonds Division should be excepted from the competitive service. Effective upon publication in the FEDERAL REGISTER, § 6.4 (a) (3) (xi) is therefore amended to read as follows:

§ 6.4 *Lists of positions excepted from the competitive service—(a) Schedule A.* * * *

(3) *Treasury Department.* * * *
United States Savings Bonds Division.
(xi) Radio Director, Director of Labor Organizations, Information and Editorial Specialist (Labor Representative) Information and Editorial Specialist (Head, Railroad Unit) Information and Editorial Specialist (Director of Negro Groups)

(Sec. 6.1 (a) E. O. 9830, Feb. 24, 1947, 12 F. R. 1259)

2. Under authority of § 6.1 (a) of Executive Order 9830 and at the request of the Federal Security Agency, the Commission has determined that the position of Assistant Administrator of the Federal Security Agency should be excepted from the competitive service. Effective upon publication in the FEDERAL REGISTER, § 6.4 (a) (19) is therefore amended by the addition of a subdivision numbered (xiv)

§ 6.4 *Lists of positions excepted from the competitive service—(a) Schedule A.* * * *

(19) *Federal Security Agency.* * * *
(xiv) Assistant Administrator of the Federal Security Agency.

(Sec. 6.1 (a) E. O. 9830, Feb. 24, 1947, 12 F. R. 1259)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] H. B. MITCHELL,
President.

[F. R. Doc. 47-10830; Filed, Dec. 10, 1947;
8:46 a. m.]

TITLE 10—ARMY

Chapter I—Aid of Civil Authorities and Public Relations

PART 108—COMPETITION WITH CIVILIAN BANDS

USE OF BANDS OFF MILITARY RESERVATIONS

Rescind § 108.1 and substitute the following therefor:

§ 108.1 *Use of bands off military reservations—(a) Authority.* Section 35, act June 3, 1916 (39 Stat. 188; 10 U. S. C. 609) provides that no enlisted man in the active service of the United States Army * * * whether a non-commissioned officer, musician, or private, shall be detailed, ordered, or permitted to leave his post to engage in any pursuit, business, or performance in civil life, for emolument, hire, or otherwise, when the same shall interfere with the customary employment and regular engagement of local civilians in the respective arts, trades, or professions.

(b) *Competition with civilians.* This law is intended to prevent the competition of military personnel with civilians.

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¹ See Title 5, Part 6.

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The authority to determine whether the use of an Army band at a public gathering is prohibited by the act of June 3, 1916, is delegated to the commanders of the major forces and major commands. Attention is directed to § 502.18 (d), and opinion of The Judge Advocate General of the Army: JAG 322.16, May 8, 1924; Dig. Op. JAG 1912-40, sec. 320 (3), and section 905 of Title 10 of the United States Code, Right of Army Musicians to Furnish Music in Competition with Civilian Musicians.

(c) *Instructions governing use.* The following instructions pertaining to the use of bands which conform to the law quoted above will govern:

(1) Bands may be furnished on the following occasions:

(i) All military uses and occasions, that is, whenever and wherever an Army band functions as part of the Nation's military forces. The music may be broadcast or telecast with the other features of the official program for the occasion.

(ii) All uses upon military and naval reservations, military and naval vessels, and other places or circumstances where a band is on duty with military forces.

(iii) When music is an appropriate part of official occasions attended by the superior officers of the Government and of the Departments of Army, Navy, and Air Force in their official capacities and in the performance of official duties. The music may be broadcast or telecast with the other features of the official program for the occasion. Such occasions do not include social occasions and entertainments, such as dinners, luncheons, etc., given by civilians or civic associations with such officers as guests.

(iv) Broadcasts and telecasts from a military reservation of concerts by Army bands and music furnished by an Army band as part of an entertainment when such conforms to subdivision (ii) of this subparagraph.

(v) Broadcasts and telecasts from a military reservation by Army bands or any part thereof for purely recruiting drives or, for the specific official purpose of presenting to the public certain matters considered by the Department of the Army to be of sufficient importance to require dissemination by means of the radio and television systems and net-

works of the United States and which are not connected in any way with a commercial enterprise.

(vi) Musical programs at any United States Government hospital for the entertainment of its patients.

(vii) Concerts in the Capitol Grounds, Capitol buildings, and public parks of the city of Washington, District of Columbia.

(viii) At free social and entertainment activities conducted exclusively for the benefit of enlisted personnel and their guests in service clubs and social centers maintained for the use of enlisted personnel.

(ix) At official occasions and free social and entertainment activities held on or off military reservations: *Provided*, That such free social and entertainment activities are conducted exclusively for the benefit of personnel of the armed forces and their guests. The furnishing of bands or musicians on such occasions is discretionary with the commanding officer having jurisdiction in the matter.

(x) For parades and ceremonies incident to gathering of personnel of the armed forces, veterans, and patriotic organizations.

(xi) At public rallies and parades to stimulate national interest when directed by the Department of the Army.

(xii) Fund drives for the Army Relief, the Army Emergency Relief, the Air Force Aid Society, and the National Red Cross, when the entire proceeds are donated to these agencies.

(xiii) Football, baseball, basketball, track meets, and other athletic contests in which one or more armed forces teams are participating.

(xiv) In connection with recruiting activities for the armed forces.

(2) Bands will not be furnished on the following occasions:

(i) For civic parades, ceremonies, expositions, regattas, contests, festivals, local baseball or football games, activities, or celebrations, etc., except as provided in subparagraph (1) of this paragraph.

(ii) For the furtherance, directly or indirectly, of any public or private enterprise, board of trade and commercial clubs or associations, except as provided in subparagraph (1) of this paragraph.

(iii) For any occasion that pertains primarily to a party or sect in character or purpose.

(iv) For civilian clubs, societies, civic or fraternal organizations.

(v) For so-called charitable purpose of a local party, group, or sect or any so-called charity that is not of a national character.

(vi) For broadcasts or telecasts off a military reservation, except as stated in subparagraph (1) (v) of this paragraph.

(vii) For any occasion in violation of paragraph (a) of this section unless specifically authorized by the provisions of subparagraph (1) of this paragraph. [Par. 4, AR 250-5, Nov. 19, 1947] (39 Stat. 188; 10 U. S. C. 609)

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 47-10887; Filed, Dec. 10, 1947; 8:47 a. m.]

Chapter IV—Military Education

PART 403—PROMOTION OF RIFLE PRACTICE

MISCELLANEOUS AMENDMENTS

1. Delete the following articles from the table in § 403.1 (b) (1)

§ 403.1 *Issues of rifles, ammunition, etc., to schools.* * * *

(b) *Kinds of equipment to be issued.* (1) * * *

Remarks. See § 403.2

Articles: (c) (4)
Chest, arm, M1903... 1 per 10 rifles or fraction thereof.

Box, packing, bayonet... 1 per 100 bayonets.

2. Delete the following articles from the table in § 403.1 (c) (1)

(c) *Ammunition and supplies—(1) Annual issues.* * * *

Remarks. See § 403.2

Articles: (c) (4)
Brush, cleaning, cal. 1 per 5 rifles, cal. 30, 30 M2.
Brush, cleaning, cal. 1 per 2 rifles, cal. 22, 22 M3.

3. Rescind the first sentence of § 403.2 (a) (1) (ii) and (iii) and substitute the following:

§ 403.2 *Issues of rifles, ammunition, etc., to civilian rifle clubs—(a) Rules for organizing clubs.* * * *

(1) * * *

(ii) Ten or more physically fit male citizens of the United States above 12 years and under 18 years of age (junior club membership is restricted to these ages) residing in any locality, may organize a junior civilian rifle club provided such junior rifle club is recommended by a responsible male citizen above the age of 21 years who will be bonded for all Government property issued to the club and who will serve as club supervisor and instructor in rifle marksmanship. * * *

(iii) Ten or more physically fit male citizens above 12 years and under 18 years of age, residing in any locality, may be organized as a junior rifle division of a senior civilian rifle club and may receive the same issues and privileges as a junior rifle club, provided such sponsoring senior rifle club will be responsible and accountable for all property issued, such property to be secured by the senior club's bond. * * *

4. Add the following sentence to § 403.2 (a) (7) (vi): "The aperture front sight will not be used."

5. Rescind the list of articles in § 403.2 (b) (2) (i) and substitute the following list therefor:

(b) *Issues.* * * *

(2) *Senior clubs.* * * *

(i) *Initial use.*

Remarks.

See § 403.2

(c) (4)

Articles:
Rifle, U. S., cal. 30, M1, with accessories, or rifle, U. S., cal. 30, M1903 or M1903A1. 4 per club.¹
Rod, cleaning, barrack, 1 per club. M1916.
Sling, gun, M1907 or M1..... 1 per rifle.
Rifle, cal. 22..... 4 per club.²
Rod, cleaning, cal. 22 rifle..... 1 per club.²
Carrier, target, outdoor..... 2 per club.
Marker, target, short range..... 2 per club.
Marker, target, mid range..... 2 per club.
Flag, danger..... 1 per club.
Magazine, assembly, extra..... 1 per rifle.³
Tool, combination, M3..... 1 per club.

6. Delete the following articles from the table in § 403.2 (b) (2) (ii)

(ii) *Annual issue.* * * *

Remarks.

See § 403.2

(c) (4)

Articles:
Brush, artists, flat, bristle, 3 per club. 3/4-inch.
Brush, cleaning, cal. 22, M3... 2 per club.
Brush, cleaning, cal. 30, M2... 2 per club.

7. Delete the following articles from the table in § 403.2 (b) (3) (ii)

(3) *Junior club.* * * *

(ii) *Annual issue.* * * *

Remarks.

See § 403.2

(c) (4)

Articles:
Brush, artists, flat, bristle, 3 per club. 3/4-inch.
Brush, cleaning, cal. 22, M3... 1 per 2 rifles.

8. Rescind paragraph (c) (2) of § 403.2 and substitute the following therefor:

(c) *Requisitions.* * * *

(2) *Ammunition.* Allowances not drawn in one year cannot be drawn in the succeeding year. In submitting requisitions for ammunition, the number of members in the rifle club participating in target practice must be stated.

9. Rescind the fourth sentence of paragraph (d) *Bonds* of § 403.2 and substitute the following therefor: "The bond submitted as security for issues to a rifle club duly organized as a corporation under laws of a State or Territory may be executed by an individual as principal, or by the corporation as principal, the corporation's name thereto to be signed by its president, or other officer so authorized to act, attested by its secretary or other club official and the corporate seal duly affixed, pursuant to a resolution duly passed by the corporation's board of directors or other governing body."

10. Rescind paragraph (f) of § 403.2 and substitute the following therefor:

(f) *Annual reports.* Clubs will submit annually, as directed by the Director of Civilian Marksmanship, an inventory of U. S. property and a report of firing. These reports will be rendered by the officer accountable for property of each rifle club, on forms supplied by the Director of Civilian Marksmanship. If no U. S. property has been received by the club, statement to that effect will be entered on inventory report form. If no firing has been conducted, information to that effect will be entered on report of firing form. Where issues are made to schools, the accountable officer will be the president or principal thereof.

[AR 850-100, Nov. 14, 1947] (43 Stat. 510; 32 U. S. C. 181)

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 47-10579; Filed, Dec. 10, 1947; 8:46 a. m.]

TITLE 12—BANKS AND BANKING

Chapter IV—Export-Import Bank of Washington

REVISION OF CHAPTER

Parts 401, 402, and 421 (11 F. R. 177A-330), relating to the General Policy

Statement of Export-Import Bank of Washington, are hereby revised to read as follows:

PART 401—ORGANIZATION

Sec.

- 401.1 Authority.
- 401.2 Sources of funds.
- 401.3 Powers.
- 401.4 Limitation on loans and guaranties.
- 401.5 Purpose.
- 401.6 Organization.

AUTHORITY: §§ 401.1 to 401.6, inclusive, issued under 59 Stat. 526, as amended; 12 U. S. C., Sup., 635 et seq.

§ 401.1 *Authority.* The Export-Import Bank was established in 1934 as a banking corporation organized under the laws of the District of Columbia. The Bank was continued as an agency of the United States by acts of Congress in 1935, 1937, 1939, and 1940. It was made an independent agency of Government by the Export-Import Bank Act of 1945, which is the law under which the Bank has since operated. This act was amended in 1947 to reincorporate the Bank under Federal charter and to extend its life to June 30, 1953.

§ 401.2 *Sources of funds.* In addition to its capital stock of \$1,000,000,000, subscribed by the United States, the Export-Import Bank is authorized to borrow from the Secretary of the Treasury but the aggregate amount borrowed and outstanding at any one time may not exceed two and one-half times the authorized capital stock of the Bank.

§ 401.3 *Powers.* The Export-Import Bank is vested with broad banking powers. It is limited in the exercise of these powers, however, by its fundamental purpose of assisting in the financing and facilitating of United States foreign trade and by the statutory ceiling on the amount of its loans. (See § 421.3 of this chapter for statement of transactions expressly forbidden to the Bank or excluded by reason of its general policies.)

§ 401.4 *Limitation on loans and guaranties.* The Export-Import Bank is not permitted to have outstanding at any one time loans and guaranties in an aggregate amount in excess of three and one-half times its authorized capital stock, that is, not in excess of \$3,500,000,000. This lending authority is on a revolving basis; funds received in repayment of loans may be used by the Bank for new operations.

§ 401.5 *Purpose.* The purpose of the Export-Import Bank, as laid down by Congress, is "to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof." All of the operations of the Bank are and must be related to this fundamental purpose.

§ 401.6 *Organization.* The Export-Import Bank Act of 1945 places the management of the Bank in a Board of Directors consisting of the Secretary of State, ex officio, and four full-time Directors appointed by the President of the United States by and with the advice and consent of the Senate. One of the members

of the Board is designated by the President to serve as Chairman. Not more than three of the five members of the Board may be members of any one political party.

PART 402—PROCEDURES

Sec.

- 402.1 Who may apply for credit.
- 402.2 How to apply.
- 402.3 Advance commitments.

AUTHORITY: §§ 402.1 to 402.3, inclusive, issued under 59 Stat. 526, as amended; 12 U. S. C., Sup., 635 et seq.

§ 402.1 *Who may apply for credit.* The facilities of the Export-Import Bank are available to United States exporters either of goods or of engineering and other technical services, to United States importers, and to foreign governments and their agencies, foreign banks, and foreign enterprises.

The Export-Import Bank Act of 1945 released the Export-Import Bank from the pre-existing prohibition against loans by the Bank to foreign governments in default on their obligations to the United States Government. The act also permits any individual, partnership, corporation, or association to participate with the Export-Import Bank in any of its authorized transactions and exempts any person, with respect to participations with the Bank, from the provisions of the so-called Johnson Act prohibiting loans by private persons to such governments.

§ 402.2 *How to apply—(a) Domestic exporter or importer.* United States exporters, whether of goods or of engineering and technical services, or United States importers may apply to the Bank for credit by writing directly to the Export-Import Bank of Washington, Washington 25, D. C., or, preferably, may present their applications through their own commercial banks. The applicant should consult his own bank in any case, since in most instances it will be familiar with the facilities of the Export-Import Bank and will be able to judge whether or not the assistance of the Bank is appropriate.

Information of the character indicated below should be supplied with applications for recourse or nonrecourse financing made by or for domestic exporters. Similar information is required with applications by or for domestic importers. In general, the Export-Import Bank requires in both cases the same type of information as a commercial bank would require in similar circumstances. Applications may be made by letter; the Bank does not require the use of special forms.

(1) Description of goods or services to be financed. Where development projects are involved, the description should include engineering and economic surveys and pro forma balance sheets and income statements.

(2) Name of foreign country to which the exports to be financed are destined and the name of the foreign purchaser.

(3) Statement as to how the use of goods to be financed may be expected to affect the foreign exchange position of the borrowing country.

(4) Total contract price, amount of cash down payment, amount of credit to be extended to the purchaser, amount of credit requested of the Export-Import Bank, proposed amortization schedule, and other credit terms. (Refer also to § 421.5 of this chapter.)

(5) Evidence that the transaction cannot be financed without the assistance of the Export-Import Bank.

(6) Credit information and references regarding the purchaser, including balance sheets and income statements.

(7) Statement as to whether the guaranty of a foreign bank or government or other competent guarantor will be offered and, if so, evidence that such guaranty will be forthcoming.

(8) Assurance that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due, where such assurance is necessary because of exchange controls and in the absence of the unconditional guaranty of the government of the country concerned.

(9) Brief statement of history and experience of the exporter, commercial bank and trade references, and comparative balance sheets and profit and loss statements for the past three years.

(b) *Foreign governments or their agencies.* Foreign governments or their agencies may apply directly to the Export-Import Bank for credits or may initiate discussions through United States diplomatic missions in their respective countries. In the consideration of applications from foreign governments or their agencies, the following information is requisite:

(1) Justification for seeking the assistance of the Export-Import Bank, including satisfactory evidence that private credit is not available.

(2) Purposes for which the credit is to be used, including lists of materials, equipment, and services to be purchased in the United States and their suppliers (if known) and, when development projects are involved, engineering and economic surveys.

(3) Amount of credit desired and proposed terms of repayment.

(4) Statement of external assets of the country in the form of gold and foreign exchange, showing official holdings separately from private holdings and holdings of dollars separately from holdings of other currencies.

(5) Current and prospective rate of gold production.

(6) Statement of the international investment position of the country at long-term and short-term, including major commitments pending or contemplated, and an estimate of the amounts of interest and amortization due annually over the life of the loan on external fixed-service obligations, together with a statement of priorities, if any, in loan service.

(7) Summary of the record of the country with respect to the payment of external debt and statement of the default status of outstanding external obligation, if any.

(8) Analysis of the capacity of the country to repay on the basis of its cur-

rent and prospective balance of payments.

(9) Statement of the expected effect of the project to be financed on the country's foreign exchange position.

(10) If the application is on behalf of an entity other than the government itself, evidence that the guaranty of the government will be extended or, if necessary because of exchange controls, assurance that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due.

(c) *Foreign applicants other than governments.* Foreign applicants other than governments or their agencies may apply directly to the Bank, but the support of their governments will ordinarily be required before a credit can be considered. The information required of such applicants is as follows:

(1) Justification for seeking the assistance of the Export-Import Bank, including satisfactory evidence that private credit is not available.

(2) Purposes for which the credit is to be used, including lists of materials, equipment and services to be purchased in the United States and their suppliers (if known) and, if development projects are involved, engineering and economic surveys.

(3) The amount of credit desired and proposed terms of repayment.

(4) Statement as to whether the guaranty of a foreign bank or government or other competent guarantor will be offered and, if so, evidence that such guaranty will be forthcoming.

(5) Statement of the expected effect of the project to be financed on the country's foreign exchange position.

(6) Assurance that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due, where such assurance is necessary because of exchange controls and in the absence of the unconditional guaranty of the government of the country concerned.

(7) Brief statement of the history and experience of the applicant, commercial bank and trade references, and comparative balance sheets and profit and loss figures for the past three years (where applicable). If the application involves a new enterprise or substantial expansion of an existing enterprise, pro forma balance sheet and income statement.

§ 402.3 *Advance commitments.* United States exporters who expect to bid on specific foreign business may consult the Export-Import Bank in advance of the submission of bids with a view to obtaining a commitment in principle. When more than one United States exporter is interested in obtaining a given order, the Bank will indicate identical or similar terms to all qualified bidders in order that the successful bidder, if a United States exporter, will be determined solely on the basis of price, quality, and proposed delivery schedule, rather than that upon any advantage in credit terms created by the Bank.

It is suggested that exporters should consult with the Bank prior to making

credit arrangements with foreign buyers in order to obtain an adequate understanding of the conditions under which the Bank would consider the granting of credit.

PART 421—EXTENSION OF CREDIT

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|--------|------------------------------------------------------------------------|
| Sec. | |
| 421.1 | Basic principles. |
| 421.2 | What the Bank finances. |
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| 421.4 | Maturities and interest rates. |
| 421.5 | Nonrecourse financing. |
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| 421.8 | Relations with commercial banks. |
| 421.9 | Relationship to International Bank for Reconstruction and Development. |
| 421.10 | Letter-of-credit guaranties. |
| 421.11 | Private trade. |

AUTHORITY: §§ 421.1 to 421.11, inclusive, issued under 59 Stat. 520, as amended; 12 U. S. C., Sup., 635 et seq.

§ 421.1 *Basic principles.* The Export-Import Bank is guided in its lending operations by the following basic principles:

(a) In accordance with the statute governing its activities, the Bank makes only loans and guaranties which serve to promote the export and import trade of the United States. The Bank promotes foreign trade directly by financing specific export and import transactions. The Bank promotes foreign trade indirectly by financing exports in connection with productive developments and thus assisting in building up the economies and in raising the income levels of borrowing countries, which thereby become better markets for American products and better suppliers of imports required by the United States.

(b) In accordance with its established practice and with the policy of Congress expressed in the Export-Import Bank Act of 1945, the Bank generally makes loans only for specific purposes. A corollary of this principle is that disbursements under a commitment by the Bank are made only upon receipt of evidence satisfactory to the Bank that the purposes of the loan have been or are being carried out by the borrower. Conversely, the Bank does not make lump-sum advances but extends credits only for purposes which it has previously approved.

(c) As a matter of prudent management and in conformity with the Act of 1945, the Bank makes only loans which offer reasonable assurance of repayment.

In passing upon loan applications the Bank endeavors generally to select those most likely to improve the economies and international financial position of the borrowing countries. Loan applications are carefully analyzed by the Bank's staff from the economic, financial, engineering, and legal points of view; they are approved or rejected only by the Board of Directors.

(d) As a general rule, the Bank extends credit only to finance purchases of materials and equipment produced or manufactured in the United States and of technical services of American firms and individuals, as distinguished from outlays for goods, labor, and services in the borrowing country or purchases in third countries.

(e) In accordance with the policy laid down by Congress, the Bank does not compete with private capital but rather supplements and encourages it. The activities of the Bank are confined, therefore, to dealing with risks of the type described in this Statement which are either beyond the scope of private capital or which private capital is not prepared to assume without government assistance.

§ 421.2 *What the Bank finances.* The Export-Import Bank is prepared to assist, under proper conditions, in financing exports from the United States and imports into the United States. For the most part imports can be financed through the usual commercial channels without assistance from the Export-Import Bank. The Bank is also prepared to aid in the purchase of United States engineering and other technical services in connection with projects in the borrowing country. As a matter of policy and practice, however, the Bank's credits are extended primarily for the purpose of facilitating exports of goods the sale of which involves relatively extended terms of credit and which will serve to increase the productive capacities of foreign countries or otherwise to promote continuing and mutually profitable trade.

The Bank's financing of exports is of two general types. The first type consists of credits initiated by individual United States exporters to facilitate the sale abroad of specific materials or equipment. The second type consists of credits established at the instance of foreign governments and their agencies, foreign banks, or foreign enterprises for the purpose of facilitating the purchase in the United States of specific materials, equipment, and services. In the case of credits other than to governments, the guaranty of a foreign government or bank is ordinarily required, with particular reference to the availability of dollar exchange. A similar guaranty is usually required as a condition of credits extended on application of individual United States exporters without recourse to them. It is regularly required that the United States applicant participate in the credit at his own risk to an extent satisfactory to the Bank. Likewise, it is frequently necessary for the American exporter to participate in a credit initiated by a foreign entity. (See also § 421.5.)

§ 421.3 *What the Bank does not do.* There are a number of things which the Export-Import Bank is expressly prohibited from doing under existing law or which are excluded by its general policies. Thus,

(a) The Bank does not compete with private capital and does not, therefore, extend credits when private credit is available in adequate amounts on reasonable terms. Accordingly, the Bank does not engage as a rule in the financing of foreign trade on customary commercial terms or offer discount facilities on the same basis as commercial banks or commercial finance companies dealing in foreign drafts.

(b) The Bank is prohibited by law from purchasing stock in any corporation. In

other words, the Bank is not permitted to engage in equity financing and it requires evidence that there is adequate equity interest in any project to be financed by Export-Import Bank credits.

(c) The Bank does not make lump-sum advances but extends credits only for purposes which it has previously approved.

(d) The Bank is not authorized to finance trade between the United States and its territories or insular possessions. This means that the Bank may not assist in financing trade between the continental United States and Puerto Rico, the Virgin Islands, Alaska, Hawaii, or other possessions in the Pacific or between any two of these territories or possessions. However, the Bank may finance export or import transactions between United States territories or possessions and foreign countries.

(e) The Bank does not ordinarily finance expenditures other than for United States goods and services.

(f) The Bank does not assume any obligation or responsibility for the issuance by any agency of the United States Government of any priority, allocation, permit, or license which may be required by law or regulation for the procurement and export of any commodity which it may finance.

(g) The Bank does not undertake to select suppliers of materials and equipment or engineering or other technical firms or individuals whose services may be sought by foreign borrowers in connection with projects financed by the Bank, although it does require competent engineering and other technical direction of such projects and will finance contracts providing for payments for United States technical services.

§ 421.4 *Maturities and interest rates.* The maturities of credits granted by the Export-Import Bank are arranged in accordance with the circumstances in each case. Generally speaking, the financing of trade in consumers goods, if undertaken at all, or of raw materials is limited to relatively short-term credits. On the other hand, the financing of machinery and equipment may be on somewhat extended terms. Where extended terms are involved, principal amounts are ordinarily made payable in equal installments, semiannually or quarterly.

In determining rates of interest to be charged on loans the Board of Directors will take into consideration the maturity of the loan and the extent of credit risk to be assumed by the Bank as affected by the guaranties offered as well as prevailing commercial rates. Interest is computed on the outstanding balance and is usually payable semiannually, or quarterly.

§ 421.5 *Nonrecourse financing.* The Export-Import Bank usually requires that exporters carry at their own risk a portion of any credit extended on their own application. The percentage of the credit risk which the Bank will assume without recourse depends upon the circumstances in each case and is applied to the portion of the transaction to be financed after allowance for cash down payments and for notes maturing before delivery of the goods.

§ 421.6 *Marine transportation and insurance.* Public Resolution No. 17, Seventy-third Congress, requires that exports of agricultural or other products fostered by loans made by any instrumentality of the United States Government shall be carried exclusively in vessels of United States registry unless it is determined by proper authority after investigation that such vessels are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

It is the Bank's policy to require all exports purchased with the proceeds of its credits to be covered by marine insurance contracts satisfactory to the Bank and payable in dollars, except where, with the approval of the Export-Import Bank, foreign governments undertake to carry their own risks. In connection with exports so financed, the Bank is prepared in general to finance premiums on contracts placed in the American market.

§ 421.7 *Small foreign trade credits.* In appropriate circumstances, the Export-Import Bank assists in financing exports or imports by granting credits to small and medium-sized firms that are experienced and of good repute but are unable to obtain adequate financing from other sources. Such credits are usually revolving, are available for limited periods, involve recourse upon the exporter and are subject to frequent review.

It is not the purpose of the Bank either to facilitate overtrading or to encourage the inexperienced to embark on a foreign trade enterprise. Accordingly, the Bank does not extend credit to exporters and importers who are already receiving from private sources as much banking accommodation as can be justified under reasonable credit standards and whose basic need, therefore, is additional capital. Exporters and importers should consult their own banks before applying to the Export-Import Bank for credit and then approach the Export-Import Bank, if it seems desirable to do so, through and on recommendation of their own banks.

§ 421.8 *Relations with commercial banks.* It is a cardinal principle of the Export-Import Bank that it does not compete with private capital. This principle is carried into effect in a number of ways. The Bank prefers to receive applications for loans from private firms and individuals through their own banks and seeks to obtain the maximum participation by exporters and commercial banks in credit arrangements to which it is a party. Under special circumstances, the Export-Import Bank uses the facilities of commercial banks for making funds available to borrowers under lines of credit, receiving payments of interest and principal, and for handling other matters in connection with the extension and collection of credits.

§ 421.9 *Relationship to International Bank for Reconstruction and Development.* The facilities of the Export-Import Bank, an agency of the United States, and those of the International Bank for Reconstruction and Development, an international institution of

which the United States is a member, are intended to be complementary. To this end, the activities of the Export-Import Bank and the policies of the United States representatives on the International Bank are coordinated by the National Advisory Council, as provided in the Bretton Woods Agreements Act.

§ 421.10 *Letter-of-credit guaranties.* At the request of foreign borrowers, the Export-Import Bank is prepared to guarantee reimbursement to a commercial bank in the United States for payments made under approved letters of credit arranged by the borrower to finance exports under lines of credit established by the Export-Import Bank.

§ 421.11 *Private trade.* In all of its operations, the Export-Import Bank is guided continually by the desire to restore and maintain the widest possible scope for private enterprise in foreign trade. The Export-Import Bank prefers to extend credits to private entities rather than to foreign governments or their agencies; but, when credits are extended to foreign governments or their agencies as the most appropriate means of carrying out the purposes of the Bank, it encourages insofar as possible the purchasing through private channels of the products financed.

HENRY P CRAWFORD,
Counsel.

[F. R. Doc. 47-10888; Filed, Dec. 10, 1947;
8:50 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes [T. D. 5594]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

EXTENSION OF TIME FOR FILING APPLICATION FOR PERMISSION TO CHANGE TO RESERVE METHOD OF TREATING BAD DEBTS

PARAGRAPH 1. Section 29.23 (k)-1 of Regulations 111, as amended by T. D. 5376, approved June 3, 1944 (26 CFR 29.23 (k)-1), provides that application for permission to change the method of treating bad debts shall be made at least 30 days prior to the close of the taxable year for which the change is to be effective. An extension of time, to a date not later than March 15, 1948, within which to make the application provided in § 29.23 (k)-1, is granted to taxpayers making returns on the basis of the calendar year 1947 where the application is for permission to change to the reserve method of treating bad debts.

PAR. 2. Because of the short period of time remaining for making the applications to which this Treasury decision relates, delay in the granting of the extension of time provided hereby would adversely affect the operations of the taxpayers involved. It is therefore found impracticable to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective

date limitation of section 4 (c) of said act.

PAR. 3. This Treasury decision shall be effective upon its filing for publication in the FEDERAL REGISTER.

(Sec. 62 of the Internal Revenue Code (53 Stat. 32; 26 U. S. C., 62))

[SEAL] GEO. J. SCHOENEMAN,
Commissioner of Internal Revenue.

Approved: December 8, 1947.

A. L. M. WIGGINS,
Acting Secretary of the Treasury.

[F. R. Doc. 47-10945; Filed, Dec. 9, 1947;
3:33 p. m.]

TITLE 46—SHIPPING

Chapter II—United States Maritime Commission

Subchapter F—Merchant Ship Sales Act of 1946
[Gen. Order 60, Supp. 3, Amdt. 2]

PART 299—RULES AND REGULATIONS FORMS,
AND CITIZENSHIP REQUIREMENTS

SUBPART F—PREWAR DOMESTIC COSTS;
STATUTORY SALES PRICES

1. Note 3a under this subpart of General Order 60, Supplement 3 (published in the FEDERAL REGISTER for August 17, 1946, 11 F. R. 8972) is amended by striking out the term "C3-S-BH1."

2. Section 299.56 *Prewar domestic costs; statutory sales prices* (11 F. R. 8975) is amended as follows:

Paragraph (k) is amended by inserting after the subparagraph relating to "One C3 cargo vessel * * *" the following subparagraph:

(k) *Type 3C. * * **

The C3-S-BH1 is properly a C3 type and is determined to be a subtype of the standard type C3. The betterments or deficiencies of the C3-S-BH1 will be priced in accordance with section 3 (d) of the Ship Sales Act of 1946.

(60 Stat. 41)

By order of the United States Maritime Commission.

[SEAL] A. J. WILLIAMS,
Secretary.

NOVEMBER 12, 1947.

[F. R. Doc. 47-10886; Filed, Dec. 10, 1947;
8:47 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

Subchapter A—General Rules and Regulations
[6th Rev. S. O. 104]

PART 95—CAR SERVICE

SUBSTITUTION OF REFRIGERATOR FOR BOX CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 5th day of December A. D. 1947.

It appearing, that the practice of transporting refrigerator cars empty westbound to certain Western States diminishes the use, control and supply of

such cars, and that the loading of these cars in lieu of box cars will reduce the shortage thereof; in opinion of the Commission an emergency requiring immediate action exists in the western section of the country: It is ordered, that:

§ 95.104 *Substitution of refrigerator cars for box cars*—(a) *Any common carrier by railroad subject to the Interstate Commerce Act, for transporting.* (1) Westbound shipments in carloads originating at points shown as origin points in Agent L. E. Kipp's tariffs, I. C. C. Nos. 1516 and 1517, supplements thereto or reissues thereof, and destined to points in the States of California, Southern Idaho (on the Union Pacific main and branch lines across Southern Idaho, including the line from Pocatello to the Montana-Idaho State line and the branches north of Blackfoot, Idaho), Arizona, Nevada or Utah; or

(2) Westbound shipments in carloads originating at points in the State of Utah and destined to points in the States of California or Nevada;

may, when freight (except freight requiring refrigeration, ventilation, insulation or heater service at the time cars are furnished or transported) to be transported is suitable, and facilities are suitable, for loading in PFE or SFRD refrigerator cars and when such refrigerator cars are reasonably available:

(i) On shipments on which the carload minimum weight does not vary with the size of the car, furnish and transport not more than three such PFE or SFRD refrigerator cars in lieu of each box car ordered subject to the carload minimum weight which would have applied if the shipment had been loaded in a box car; or

(ii) On shipments on which the carload minimum weight varies with the size of the car:

(a) Two (2) of the said PFE or SFRD refrigerator cars may be furnished in lieu of one (1) box car ordered of a length 40'7" or less, subject to the carload minimum weight which would have applied if the shipment had been loaded in a box car of the size ordered; or

(b) Three (3) of the said PFE or SFRD refrigerator cars may be furnished in lieu of one (1) box car ordered of a length of over 40'7" but not over 50'7", subject to the carload minimum weight which would have applied if the shipment had been loaded in a box car of the size ordered.

(b) *Tariff provisions suspended; announcement required.* The operation of all tariff rules and regulations insofar as they conflict with the provisions of this order is hereby suspended and each railroad subject to this order, or its agent, shall publish, file, and post a supplement to each of its tariffs affected hereby, in substantial accordance with the provisions of rule 9 (k) of the Commission's Tariff Circular No. 20 (§ 141.9 (k) of this chapter) announcing such suspension.

(c) *Application.* (1) The provisions of Service Order No. 68, as amended, insofar as they conflict with this section are suspended.

(2) No car or cars subject to this section shall be stopped in transit to complete loading.

(3) Any car or cars subject to this section may be stopped in transit for partial unloading at any point in the destination territory described herein, provided such stop-off is authorized in tariffs on file with this Commission.

(d) *Effective date.* This section shall become effective at 12:01 a. m., December 15, 1947.

(e) *Expiration date.* This section shall expire at 11:59 p. m., December 10, 1948, unless otherwise modified, changed, suspended, or annulled by order of the Commission.

It is further ordered, that this section shall vacate and supersede Fifth Revised Service Order No. 104, (12 F. R. 6223) as amended, on the effective date hereof; that a copy of this order and direction shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 1, 24 Stat. 379 as amended, 40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-16334; Filed, Dec. 10, 1947;
8:46 a. m.]

[S. O. 624, Amdt. 3]

PART 95—CAR SERVICE

NEW YORK HARBOR LIGHTERAGE RESTRICTIONS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 4th day of December A. D. 1947.

Upon further consideration of Service Order No. 684 (12 F. R. 1167), as amended (12 F. R. 2563, 4185) and good cause appearing therefor: It is ordered, that:

Section 95.684 *New York Harbor lighterage restrictions*, of Service Order No. 684, be, and it is hereby, further amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date.* This section shall expire at 7:00 a. m., June 30, 1948, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, That this amendment shall become effective at 7:00 a. m., December 31, 1947; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 1, 24 Stat. 379, as amended, 40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W P BARTEL,
Secretary.

[F. R. Doc. 47-10883; Filed, Dec. 10, 1947;
8:46 a. m.]

Subchapter B—Carriers by Motor Vehicle

PART 182—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS I COMMON AND CONTRACT MOTOR CARRIERS OF PROPERTY

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 21st day of November 1947.

The matter of a uniform system of accounts for Class I common and contract motor carriers of property being under consideration,

And it appearing, that by order dated November 29, 1937, the "Uniform System of Accounts for Class I Common and Contract Motor Carriers of Property, Issue of 1937," was prescribed;

And it further appearing, that since the effective date of said order of November 29, 1937, various supplemental orders have been issued in which changes were made in certain provisions thereof, and that it is desirable to make additional changes and modifications;

And it further appearing, that because of the many modifications and amendments it is appropriate to consolidate and publish the original order and the changes and amendments thereto in revised form:

Sec.

182.00 Order of the Commission.
182.00-1 Definitions.

INSTRUCTIONS

182.01 Instructions.
182.01-1 Classification of carriers.
182.01-2 Records.
182.01-3 Accounting period.
182.01-4 Charges to be just and reasonable.
182.01-5 Interpretations of prescribed accounting.
182.01-6 Item lists.
182.01-7 Opening entries.
182.01-8 Delayed items.
182.01-9 Unaudited items.
182.01-10 Clearing accounts.
182.01-11 Distribution of pay and expenses of employees.
182.01-12 Maintenance; cost.
182.01-13 Current assets.
182.01-14 Current liabilities; writing off.
182.01-15 Contingent assets and liabilities.
182.01-16 Capital stock.
182.01-17 Equipment and long-term obligations.
182.01-18 Book cost of securities owned.
182.01-19 Carrier operating property.
182.01-20 Transfer of property.
182.01-21 Retirement of property.
182.01-22 Insurance.
182.01-23 Depreciation and amortization.
182.01-24 Taxes and licenses.
182.01-25 Joint facilities.
182.01-26 Deduction of reserves.
182.01-27 Allocation of expenses between line haul and pickup and delivery.

BALANCE SHEET ACCOUNTS

ASSET SIDE

Current Assets

182.1000 Cash.
182.1020 Working funds.

Sec.

182.1040 Special deposits.
182.1041 Interest special deposits.
182.1042 Dividend special deposits.
182.1043 Miscellaneous special deposits.
182.1060 Temporary cash investments.
182.1080 Notes receivable.
182.1100 Receivables from affiliated companies.
182.1120 Accounts receivable; agents, customers, and interline.
182.1130 Accounts receivable; other.
182.1140 Subscribers to capital stock.
182.1160 Interest and dividends receivable.
182.1180 Material and supplies.
182.1190 Other current assets.

Tangible Property

182.1200 Carrier operating property.
182.1201 Land and land rights.
182.1210 Structures.
182.1220 Revenue equipment.
182.1230 Service cars and equipment.
182.1240 Shop and garage equipment.
182.1250 Furniture and office equipment.
182.1260 Miscellaneous equipment.
182.1270 Improvements to leasehold property.
182.1280 Undistributed property.
182.1290 Unfinished construction.
182.1300 Carrier operating property leased to others.
182.1400 Non-carrier property.

Intangible Property

182.1500 Organization, franchises, and permits.
182.1501 Organization.
182.1511 Franchises.
182.1541 Patents.
182.1550 Other intangible property.

Investment Securities and Advances

182.1600 Investments and advances; affiliated companies.
182.1650 Other investments and advances.

Special Funds

182.1701 Sinking funds.
182.1751 Depreciation funds.
182.1781 Miscellaneous special funds.

Deferred Debits

182.1800 Prepayments.
182.1880 Unamortized debt discount and expense.
182.1890 Other deferred debits.

Miscellaneous Debit Items

182.1900 Discount on capital stock.
182.1910 Commission and expense on capital stock.
182.1920 Reacquired securities.
182.1990 Nominally issued securities.

LIABILITY SIDE

Current Liabilities

182.2000 Notes payable.
182.2020 Matured long-term obligations.
182.2030 Payables to affiliated companies.
182.2050 Accounts payable.
182.2070 Wages payable.
182.2090 C. o. d's unremitted.
182.2100 Dividends declared.
182.2120 Taxes accrued.
182.2150 Interest accrued.
182.2160 Matured interest.
182.2190 Other current liabilities.

Advances Payable

182.2200 Advances payable; affiliated companies.
182.2250 Other advances payable.

Equipment and Other Long-Term Obligations

182.2300 Equipment obligations.
182.2380 Bonds.
182.2360 Other long-term obligations.

Deferred Credits

182.2400 Unamortized premium on debt.
182.2450 Other deferred credits.

Reserves

Sec.

182.2500 Reserve for depreciation; carrier operating property.
182.2600 Reserve for amortization; carrier operating property.
182.2610 Reserve for depreciation and amortization; other property.
182.2630 Reserve for adjustments; investments and advances.
182.2650 Reserve for uncollectible accounts.
182.2660 Insurance reserves.
182.2680 Injuries, loss and damage reserves.
182.2690 Other reserves.

Capital Stock.

182.2700 Preferred capital stock.
182.2710 Common capital stock.
182.2720 Premiums and assessments on capital stock.
182.2730 Capital stock subscribed.

Non-Corporate Capital

182.2800 Sole proprietorship capital.
182.2810 Partnership capital.

Unappropriated Surplus

182.2900 Unearned surplus.
182.2930 Earned surplus.
182.2932 Credit balance transferred from income.
182.2938 Other credits to earned surplus.
182.2942 Debit balance transferred from income.
182.2944 Dividend appropriations.
182.2946 Other appropriations of earned surplus.
182.2948 Other debits to earned surplus.

INCOME ACCOUNTS

OPERATING REVENUES

182.3000 Operating revenues.
182.3100 Freight revenue; intercity; common carrier.
182.3110 Freight revenue; intercity; contract carrier.
182.3120 Freight revenue; local cartage.
182.3130 Intercity transportation for other Class I Motor Carriers.
182.3900 Other operating revenues.

OPERATION AND MAINTENANCE EXPENSES

182.4000 Operation and maintenance expenses.
182.4100 Equipment maintenance.
182.4110 Supervision.
182.4120 Office and other expenses.
182.4130 Repairs and servicing; revenue equipment.
182.4160 Tires and tubes; revenue equipment.
182.4180 Other maintenance expenses.
182.4191 Joint garage expense; debit.
182.4196 Joint garage expense; credit.
182.4200 Transportation.
182.4210 Supervision.
182.4220 Office and other expenses.
182.4230 Drivers and helpers.
182.4250 Fuel for revenue equipment.
182.4260 Oil for revenue equipment.
182.4270 Purchased transportation.
182.4271 Purchased transportation; intercity.
182.4275 Purchased pick-up and delivery.
182.4280 Other transportation expenses.
182.4300 Terminal.
182.4310 Supervision.
182.4311 Supervisory salaries.
182.4312 Salaries and fees; billing and collecting.
182.4313 Other office employees.
182.4320 Office and other expenses.
182.4340 Salaries and wages; platform employees.
182.4350 Other terminal employees.
182.4360 Commission agents.
182.4380 Other terminal expenses.
182.4391 Joint terminal facilities; debit.
182.4396 Joint terminal facilities; credit.
182.4400 Traffic.
182.4410 Supervision.
182.4420 Office and other expenses.

Sec.	
182.4430	Tariffs and schedules.
182.4450	Advertising.
182.4480	Other traffic expenses.
182.4500	Insurance and safety.
182.4510	Supervision.
182.4520	Office and other expenses.
182.4530	Public liability and property damage.
182.4540	Workmen's compensation.
182.4550	Cargo loss and damage.
182.4560	Fire, theft and collision.
182.4570	Other insurance expense.
182.4580	Other insurance and safety department expenses.
182.4600	Administrative and general.
182.4610	Supervision.
182.4611	Salaries; general officers.
182.4612	Salaries; revenue accounting.
182.4613	Salaries; other general office employees.
182.4620	Office and other expenses.
182.4621	Expenses of general officers.
182.4622	Expenses of general office employees.
182.4623	Other general office expenses.
182.4630	Law expenses.
182.4635	Outside auditing expenses.
182.4640	Communication service.
182.4645	Employees' welfare expenses.
182.4650	Management and supervision fees.
182.4660	Uncollectible revenues.
182.4670	Regulatory expenses.
182.4675	Purchasing and store expenses.
182.4680	Other general expenses.
182.4691	Joint operating expense; debit.
182.4696	Joint operating expense; credit.

DEPRECIATION EXPENSE

182.5000	Depreciation expense.
182.5010	Depreciation of structures.
182.5020	Depreciation of revenue equipment.
182.5030	Depreciation of automobiles and service cars.
182.5040	Depreciation of shop and garage equipment.
182.5050	Depreciation of furniture and office equipment.
182.5060	Depreciation of miscellaneous equipment.
182.5070	Depreciation of improvements to leasehold property.
182.5080	Depreciation of undistributed property.
182.5100	Depreciation adjustment.

AMORTIZATION EXPENSE

182.5150	Amortization chargeable to operations.
182.5151	Amortization of carrier operating property.
182.5155	Extraordinary property losses.

TAXES AND LICENSES

182.5200	Operating taxes and licenses.
182.5210	Gasoline, other fuel and oil taxes.
182.5220	Vehicle license and registration fees.
182.5230	Real estate and personal property taxes.
182.5240	Social security taxes.
182.5250	Other taxes.

OPERATING RENTS

182.5300	Operating rents; net.
182.5310	Equipment rents; debit.
182.5320	Other operating rents; debit.
182.5340	Joint facility rents; debit.
182.5350	Equipment rents; credit.
182.5360	Other operating rents; credit.
182.5390	Joint facility rents; credit.

LEASE OF DISTINCT OPERATING UNIT

182.5400	Lease of distinct operating unit; debit.
182.5500	Lease of distinct operating unit; credit.

OTHER ORDINARY INCOME

Sec.	
182.6100	Income from non-carrier operations; net.
182.6300	Interest income.
182.6400	Dividend income.
182.6500	Other non-operating income.

DEDUCTIONS FROM ORDINARY INCOME

182.7100	Interest.
182.7300	Amortization of debt discount and expense.
182.7400	Amortization of premium on debt; credit.
182.7500	Other deductions.

EXTRAORDINARY INCOME

182.8100	Extraordinary income credits.
182.8200	Extraordinary income charges.
182.8400	Delayed income credits.
182.8600	Delayed income charges.

INCOME TAXES

182.8800	Income taxes.
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AUTHORITY: §§ 182.00 to 182.8800, inclusive, issued under 49 Stat. 546, 563, 564, as amended; 49 U. S. C. 304 (a) (1), (2), (4), (c), 320 (a), 322 (g).

SPECIAL NOTE: In the regulations under Part 182 of this chapter the numbers assigned to sections thereof include as a whole number, following the decimal point, the number of the prescribed account. Where references throughout the regulations are to an account, as such, only the account number portion of the section number is used. For example, Account 1000, "Cash," may be mentioned in the instructions or in the text of another account, and will be found as § 182.1000 under balance sheet accounts. Sections devoted to instructions, as distinguished from the texts of the prescribed accounts, are numbered serially § 182.01 to § 182.01-27, inclusive, with the prescribed instruction number following a dash.

§ 182.00 *Order of the Commission.* It is ordered, that: Each Class I common and contract motor carrier of property, as such carriers are classified in the Uniform System of Accounts for Class I Common and Contract Motor Carriers of Property, as hereinafter modified and amended and each receiver, trustee, executor, administrator, or assignee of any such carrier, is hereby required to comply with said amended system of accounts; and said amended system of accounts is prescribed for use in the keeping and recording of their accounts by such Class I common and contract motor carriers of property; and each such carrier and each and every receiver, trustee, executor, administrator, or assignee of such motor carrier is required to keep all accounts in conformity therewith, effective January 1, 1948.

§ 182.00-1 *Definitions.* When used in this system of accounts:

(a) "Accounts" means the accounts prescribed in this system of accounts.

(b) "Actually issued," as applied to securities, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) so that the purchasers secured them free from control by the issuing carrier, also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking and other funds.

(c) "Actually outstanding," as applied to securities issued or assumed by

the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier; *Provided, however,* That securities held by trustees of sinking and other funds shall be considered as actually outstanding.

(d) "Addition" means structures, facilities or equipment added to those in service, or the extension or enlargement of existing property, and not taking the place of anything previously existing.

(e) "Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over either a fixed period dependent on the requirements of regulatory bodies, the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

(f) (1) "Affiliated companies" means persons (see paragraph (cc) of this section) that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the accounting carrier.

(2) "Control" (including the terms "controlling," "controlled by," and "under common control") as used herein, means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of a person (see paragraph (cc) of this section) whether through the ownership of voting securities, by contract or otherwise. If in any instance the existence of control is or may be open to reasonable doubt, the carrier shall report to the Commission all of the material facts pertinent to the possible existence of control.

(g) "Book cost" means the amount at which property is recorded on the books of the carrier without deduction of related reserves.

(h) "Carrier" or "motor carrier" includes both a common carrier by motor vehicle and a contract carrier by motor vehicle, subject to the Interstate Commerce Act.

(i) "Carrier operating property" means the property which is used (see paragraph (ll) of this section) by the carrier in the conduct of its motor carrier operations or leased to others for such operations, and which has an expectation of life in service of more than one year from date of installation. This includes land, structures, equipment, and facilities necessary for such operations and services incidental thereto.

(j) "Company" means any individual, firm, copartnership, corporation, association, or joint-stock association; and includes any trustee, receiver, assignee, or personal representative thereof. (See paragraph (cc) of this section.)

(k) "Commission" or "the Commission" means the Interstate Commerce Commission.

(l) "Contingent assets" means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

(m) "Contingent liabilities" means items which may under certain conditions become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

(n) "Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing operating property, including the cost of transportation and handling incident thereto.

(o) "Current assets" means cash as well as those assets that are readily convertible into cash or are held for current use in operations or construction; current claims against others, payment of which is reasonably assured; and other amounts accruing to the carrier which are subject to settlement within one year from the date of issue or upon demand.

(p) "Current liabilities" means those obligations the amount of which is definitely determined or closely estimated which are either matured or become due within one year from date of issue or assumption, or upon demand, except bonds, equipment and other long-term obligations, receivers' or trustees' certificates, which shall be classed as long-term obligations (see paragraph (x) of this section) regardless of the period for which they are to run.

(q) "Date of retirement" as applied to operating property, means the date at which such property is permanently withdrawn from service.

(r) "Debt expense" means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; specific costs of obtaining governmental authority fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

(s) "Delayed items" means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenue, and operating expense accounts of prior years. (See § 182.01-8.)

(t) "Depreciation" as applied to depreciable property, means the loss in service value (see paragraph (ii) of this section) not restored by current maintenance, incurred in connection with the consumption or prospective retirement of property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, changes in the art, inadequacy changes in demand, and requirements of public authority.

(u) "Discount" as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from the sale.

(v) "Distinct operating unit" means all or any portion of a route or routes covered by a certificate of convenience and necessity or a permit, including motor vehicles and other physical prop-

erty owned and used in the operation thereof.

(w) "Joint facility" means any owned or leased carrier operating property occupied or operated jointly by the carrier and one or more other carriers by motor, rail, water, air, etc., under an arrangement whereby the costs are borne by the parties to the joint agreement. Portions of a structure or other property used exclusively by each of two or more carriers are not joint facilities.

(x) "Long-term obligations" means obligations having a life of more than one year from date of creation or assumption, all unmatured bonds and receivers' or trustees' certificates, and demand obligations which by mutual agreement will not be paid within one year from date of issue.

(y) "Mileage method," as applied to depreciation of vehicles, means the plan under which the service value is charged to depreciation expenses and credited to depreciation reserves at a fixed rate per mile run.

(z) "Minor items," as applied to carrier operating property (see paragraph (i) of this section) means the associated parts or elements of which units of property (see paragraph (kk) of this section) are composed.

(aa) "Net book cost," when applied to property, means the book cost (see paragraph (g) of this section) less related depreciation and amortization reserves.

(bb) "Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the carrier, but which have not been sold or issued direct to trustees of sinking funds in accordance with contractual requirements.

(cc) "Person" when not otherwise indicated in the context, means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organization, or any receiver or trustee. (See paragraphs (f) and (j) of this section.)

(dd) "Premium," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face values plus interest or dividends accrued at the date of sale. (See note under Account 2720.)

(ee) "Property retired," as applied to operating property, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

(ff) "Replacing" or "replacement," when not otherwise indicated in the context, means the acquisition, construction, or installation of property in place of property of like purpose retired, together with the removal of the property retired.

(gg) "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount

at which the material recovered is chargeable to Account 1180, Material and Supplies, or appropriate account.

(hh) "Service life" means the period between the date when carrier operating property (see paragraph (i) of this section) is placed in service and the date of its retirement. (See paragraph (eo) of this section.)

(ii) "Service value" means the difference between the book cost (see paragraph (g) of this section) and the salvage value (see paragraph (gg) of this section) of carrier operating property.

(jj) "Straight-line method," as applied to depreciation accounting, means the plan under which the service value (see paragraph (ii) of this section) of property is charged to depreciation expenses or other appropriate accounts and credited to the depreciation reserves through equal periodic charges as nearly as may be during its service life.

(kk) "Unit of property," for the purpose of this system of accounts, means any item of carrier property which when retired, with or without replacements by sale, abandonment, disposal or replacement, is accounted for by crediting the book cost (see paragraph (g) of this section) thereof to the operating property account in which it is included, as provided in § 182.01-21.

(ll) "Used," as applied to operating property, means actually and necessarily in current service or ready for and reasonably required to be currently held for future service.

§ 182.01 Instructions.

§ 182.01-1 Classification of carriers.

(a) For the purpose of prescribing a Uniform System of Accounts for common or contract motor carriers of property subject to the Interstate Commerce Act, carriers are grouped into the following three classes:

Class I: Carriers having average gross operating revenues (including interstate and intrastate) of \$100,000 or over annually, from property motor carrier operations.

Class II: Carriers having average gross operating revenues (including interstate and intrastate) of \$25,000 or over, but under \$100,000 annually, from property motor carrier operations.

Class III: Carriers having average gross operating revenues (including interstate and intrastate) of less than \$25,000 annually, from property motor carrier operations.

(b) The class to which any carrier belongs shall be determined by the average of its annual gross operating revenues derived from motor carrier operations as a property carrier for the three calendar years immediately preceding the effective date of this system of accounts. If, at the end of any subsequent calendar year, the average of a carrier's annual gross operating revenues from motor carrier operations for the last three preceding years is greater than the maximum or less than the minimum for the class in which the carrier has been previously grouped, it shall automatically be grouped in the higher or lower class in which it falls because of such increased or decreased average annual gross operating revenues, and it shall notify the Commission of the change in its status.

Any carrier which begins new operations or extends its existing operations subsequent to the effective date of this system of accounts will be classified in accordance with a reasonable estimate of its prospective annual gross operating revenues.

(c) Any carrier may, at its option, place itself in a group higher than the one in which it falls on the basis of its average annual gross operating revenues. Notice of such action shall be promptly filed with the Commission.

§ 182.01-2 *Records.* (a) All of the accounts prescribed in this system of accounts shall be kept when applicable and entries recorded by the double entry method. Each account in the general or subsidiary ledgers shall reflect the prescribed account number. Account titles shall clearly indicate the type of items included therein if the exact titles prescribed herein are not used.

(b) Each carrier shall keep its general accounting books, and all other books, records and memoranda which support in any way the entries to such accounting books, and analyses of general ledger account balances, readily accessible so that it can furnish at any time full information as to any account. Moreover, the month, day, year and posting reference shall be shown for each entry in the general ledger and subsidiary records and the entries shall be supported with such detailed information as will provide a ready analysis and verification of the facts recorded therein. All expenditures including the expense accounts of officers and employees shall be definitely supported by vouchers, pay rolls, receipted bills, cancelled checks, receipts for petty cash payments, or other evidences of the expenditures incurred.

(c) The books referred to herein include not only books of account in a limited technical sense but all other records such as minute books, stock books, reports, correspondence, memoranda, etc., which will be useful in developing the history of or facts regarding any transaction.

(d) Carriers shall not destroy any books, records, memoranda, etc., which support entries to their accounts unless the destruction thereof is specifically provided for in the Regulations to Govern the Preservation of Records of Class I Motor Carriers.

(e) Subdivisions of any account in this system of accounts may be kept, provided that such subdivisions do not impair the integrity of the accounts prescribed. The Commission reserves the right to order any carrier to subdivide any account in this system of accounts. The title of each such subdivision shall clearly indicate the account of which it is a part. When an account is subdivided in the general ledger, an account need not be maintained for the total of the subdivisions. When such subdivisions are carried in subsidiary ledgers, however, the general ledger shall contain the controlling accounts therefor so that a complete general ledger trial balance may be obtained.

§ 182.01-3 *Accounting period.* (a) Each carrier shall keep its books on a calendar year basis and for each month (or 4-week period—see note) all transactions applicable thereto, as nearly as can be ascertained (see § 182.01-9), including full accruals, shall be entered in the books of original entry (cash book, purchase journal, etc.), and posted to the general ledger. A trial balance of the general ledger accounts shall be prepared at the close of each month and retained as a permanent record. At the end of the calendar year, the revenue, expense and other income accounts shall be closed into earned surplus or the non-corporate capital accounts; and balance sheet account balances shall be brought forward to the general ledger for the succeeding year.

(b) The final entries for any month shall be made in the general ledger not later than 60 days after the last day of the month for which the accounts are stated, unless otherwise authorized by the Commission, except that the period within which the final entries for the last month of the calendar year shall be made may be extended to such date in March of the following year as shall not interfere with the preparation and filing of annual reports.

(c) No changes shall be made in the accounts for periods covered by quarterly and annual reports that have been filed with the Commission unless the changes have first been authorized by the Commission.

NOTE: To avoid repetition, wherever the word "month" appears in these instructions, it is intended to include "or 4-week period."

§ 182.01-4 *Charges to be just and reasonable.* All charges to the accounts prescribed in this system of accounts for carrier property, operating revenues, operation and maintenance expenses, and for other carrier expenses, shall be just, reasonable and necessary to the honest and efficient operation and management of the motor carrier business. Payments or allowances in excess of such just and reasonable charges shall be included in account 7500—Other Deductions.

§ 182.01-5 *Interpretations of prescribed accounting.* (a) The cross-references included in, and notes following, the texts of various instructions and accounts are for the purpose of indicating the applicable provisions of other sections. Such references are not to be construed as comprising a complete list of the instructions relating to a particular subject, since the definitions, the general instructions, and the texts of each account must be given consideration in determining the prescribed accounting.

(b) All questions of doubtful interpretation of the prescribed accounting shall be submitted by responsible accounting officials of the carrier to the Commission for consideration and decision.

§ 182.01-6 *Item lists.* Lists of items appearing in the texts of the several accounts are given for the purpose of indicating the application of the prescribed

accounting in specific cases. The lists are not to be considered as comprising all items includible in the accounts, but merely as representative of them. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

§ 182.01-7 *Opening entries.* As of the date that this system of accounts is adopted by the carrier, the accounts prescribed herein shall be opened by appropriately transferring thereto the balances carried in the accounts previously maintained. The carrier is authorized to make such subdivisions, reclassifications, consolidations or additions to such balances as are necessary to meet the requirements of this system of accounts. (See, however, account 1200.)

§ 182.01-8 *Delayed items.* Delayed items and adjustments, except adjustments pertaining to account 2500—Reserve for Depreciation—Carrier Operating Property, arising during the current year which are applicable to prior accounting periods, shall be included in the same accounts which would have been credited or charged if the item had been taken up or adjusted in the period to which it pertained, except that when the amount of the delayed item is relatively so large that its inclusion in the appropriate account for the current year would seriously distort the revenues, expenses, or other income accounts for the year, the amount of the item shall be included in account 8400—Delayed Income Credits, or account 8600—Delayed Income Charges, as appropriate. The carrier shall prepare and keep in its records a statement showing the full particulars concerning each such item, including the accounts and years that would have been affected had the item not been delayed.

§ 182.01-9 *Unaudited items.* When the amount of any item affecting these accounts can not be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. The carrier is not required to anticipate small items which would not appreciably affect these accounts.

§ 182.01-10 *Clearing accounts.* (a) Purpose of:

(1) Clearing accounts, designed to facilitate the distribution of certain expenditures which may affect both construction and operations or which may affect transportation and other operations, may be kept when necessary in making the proper distribution of items to the appropriate accounts, as subdivisions of account 1890—Other Deferred Debits, or account 2450—Other Deferred Credits.

(2) Balances in clearing accounts shall be fully cleared not later than the end of the calendar year unless items held therein unquestionably relate to future periods.

(b) Spreading of unusual income, revenue and expense items: When the amount of any unusual item includible in an income, operating revenue, or operating expense account for the current month is relatively so large that its inclusion in the accounts for that period would seriously distort those accounts, it may be included in account 1890—Other Deferred Debits, or account 2450—Other Deferred Credits, as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the year. No such items shall be spread beyond the accounts of the current year without approval of the Commission.

§ 182.01-11 *Distribution of pay and expenses of employees.* (a) The pay and expenses of officers or employees engaged in activities of a varying nature, such as an officer who may be assigned to supervise transportation and terminal operations, shall be included in the appropriate accounts upon the basis of the actual time devoted to the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon the basis of a study of the time actually devoted by him to those duties during a representative period.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) When it is necessary to apportion the pay and expenses of officers and employees among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionments.

§ 182.01-12 *Maintenance, cost.* (a) The cost of repairs (but not including betterments—see § 182.01-19 (b)) chargeable to the various Operation and Maintenance Expense accounts includes labor employed, materials used, and expenses incurred in all current maintenance, such as:

(1) Inspecting, testing, and reporting on the condition of operating property specifically to determine the need for repairs, minor replacements, rearrangements, and changes.

(2) Testing for, locating, and clearing trouble.

(3) Routine work to prevent trouble, such as general overhauling, removing carbon, grinding valves, adjusting and relining brakes, adjusting shock absorbers, cleaning and adjusting engines, etc.

(4) Replacing minor items of operating property. (See also § 182.01-21 (a).)

(5) Rearranging and changing the location of property not retired.

(6) Restoring the condition of property damaged by wear and tear, storms, breakage, floods, fire, accident, or other casualties. (See also paragraph (b) and § 182.01-22 (f).)

(7) Training employees for repair work.

(8) Inspecting and testing after repairs have been made.

(b) The value of materials recovered and placed in the material and supplies account in connection with repairs to property shall be credited to the same account to which the repair cost was charged, with concurrent debit to account 1180—Material and Supplies.

(c) If employees engaged in transportation or terminal service are also required to make repairs, an equitable proportion of their pay and expenses shall be charged to the account appropriate for the cost of such repairs. (See, however, § 182.01-11.)

(d) If the book cost of any property is carried in account 1280—Undistributed Property, the repairs to such property shall be charged to the accounts provided for repairs to property of the same nature and use, the book cost of which is carried in other operating property accounts. Repairs to property leased from others shall be treated in like manner.

§ 182.01-13 *Current assets.* (a) In the group of accounts designated as Current Assets (accounts 1000 to 1190, inclusive) there shall not be included any item the amount or collectibility of which is not reasonably assured or for which provision has not been made in a reserve. Items of current character but of doubtful value may be carried in these accounts at a nominal value or included in account 1890—Other Deferred Debits, at book cost or nominal value, or written off, as may be appropriate.

(b) Adjustments to accomplish the writing down of items of doubtful value not covered by reserves shall be made through account 4660—Uncollectible Revenues, account 7500—Other Deductions, account 8200—Extraordinary Income Charges, or other appropriate income account.

§ 182.01-14 *Current liabilities; writing off.* Amounts that have been included in the primary accounts for unclaimed wages and other current liabilities or have been represented by outstanding checks or similar instruments for a period of one year or more because of inability to identify or locate the payee or creditor may (in the absence of statutory provision to the contrary) be written off, or, in the case of outstanding and unrepresented checks, reinstated in account 1000—Cash, and credited to account 8100—Extraordinary Income Credits. The journal entry shall contain the pertinent facts concerning all the items that have been written off.

§ 182.01-15 *Contingent assets and liabilities.* The balance sheet of a carrier shall clearly state by adequate notes, contingent assets or liabilities not reflected in the balance sheet accounts, including any arrears in cumulative dividends, stating the amount per share of each class of stock and in total, and the facts and amounts with respect to any default in principal, interest or sinking fund provisions if not shown in the balance sheet accounts.

§ 182.01-16 *Capital stock.* (a) All transactions relating to the capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in the distribution of dividends and assets, voting rights, and conditions under which the stock may be retired. If the capital stock of the carrier is of more than one class, its records shall be so maintained as to record the amount applicable to each class in separate subdivisions of the following accounts:

1140—Subscribers to Capital Stock.
1900—Discount on Capital Stock.
1910—Commission and Expense on Capital Stock.
1920—Reacquired Securities.
1990—Nominally Issued Securities.
2700—Preferred Capital Stock.
2710—Common Capital Stock.
2720—Premiums and Assessments on Capital Stock.
2730—Capital Stock Subscribed.
2900—Unearned Surplus.

(b) Commission and expenses applicable to capital stock issues shall not be deducted from premium on capital stock.

(c) (1) General levies or assessments against stockholders shall be credited to the premium account for the particular class and series of capital stock so assessed, except that assessments with respect to nonpar stock without stated value shall be credited to the capital stock account.

(2) Discounts and expenses on original issues of capital stock may be amortized by charges to account 2900—Unearned Surplus; however, in no event shall net debits exceed the accumulated net credits in unearned surplus with respect to the particular class of stock. Any excess of debits may be retained in account 1900—Discount on Capital Stock, or account 1910—Commission and Expense on Capital Stock, as appropriate, until the stock is reacquired or retired, or the excess debits may be charged to account 2948—Other Debits to Earned Surplus.

(d) When an issue of capital stock, or any part thereof, is reacquired, either by purchase or through donations by stockholders, other than stocks reacquired by provision of a mortgage or decision of a trustee not subject to the control of the carrier that it be retained alive in sinking or other funds, it shall be charged at its par or stated value, or if it is nonpar stock without a stated value, in an amount equal to the proportionate part applicable to such shares of stock of the total amount at which all stock without par or stated value of the same class is carried in the capital stock account; if cancelled to account 2700—Preferred Capital Stock, or account 2710—Common Capital Stock; if not cancelled, to account 1920—Reacquired Securities. The difference between the amount at which such reacquired stock is recorded in the foregoing accounts and the amount paid for the stock, including commissions and other expenses incurred in its purchase and also any premiums or discount applicable to its original sale, shall be included in account 2900—Unearned

Surplus, *Provided, however* That the excess of a debit over the balance carried in unearned surplus with respect to the particular class of stock shall be charged to account 2948—Other Debits to Earned Surplus.

(e) When shares of its reacquired capital stock of any class are resold by the carrier, account 1920—Reacquired Securities, shall be credited with the amount at which the shares were debited to that account upon reacquisition. Unless otherwise required by instrument of authority, any difference between the total amount realized from the sale of the stock (less commissions and expenses incident thereto) and the amount credited to account 1920, shall be debited or credited as appropriate to account 2900—Unearned Surplus. (See, however, paragraph (d) of this section.)

§ 182.01-17 *Equipment and long-term obligations.* (a) When evidences of debt, other than unsecured advances payable, that, according to their terms, do not mature within one year from date of issuance, and equipment obligations regardless of maturity, are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidence of debt shall be recorded in the appropriate account included under the group captioned "Equipment and Other Long-Term Obligations."

(b) A separate subdivision shall be maintained in account 1880—Unamortized Debt Discount and Expense, for the excess of discount and debt expense over any premium related to each class of long-term debt issued or assumed by the carrier. (See paragraphs (r), (u) and (dd) of § 182.00-1.)

(c) Corresponding subdivisions shall be maintained in account 2400—Unamortized Premium on Debt, for the excess of the premium over any discount and debt expense related to each class of long-term debt issued or assumed by the carrier.

(d) (1) Each month there shall be credited to each subdivision of account 1880—Unamortized Debt Discount and Expense, the amount applicable to such period under a plan of amortization, the application of which will equitably distribute the balance therein over the life of the security. Amounts thus credited shall be concurrently charged to account 7300—Amortization of Debt Discount and Expense.

(2) Correspondingly, each month there shall be charged to each subdivision of account 2400—Unamortized Premium on Debt, the portion of such credit balance which is applicable to that period. Amounts thus charged shall be concurrently credited to account 7400—Amortization of Premium on Debt—Credit.

(e) Except as provided in paragraph (d) of this section, any balance in account 1880 or account 2400, or subdivisions thereof, shall be carried until the reacquisition of the securities to which it relates. At that time (unless otherwise required by instrument of authority) a portion of the balances in these accounts, or subdivision for the particular class of long-term debt reac-

quired, shall be transferred to account 8100—Extraordinary Income Credits, or account 8200—Extraordinary Income Charges, as may be appropriate. Such portion shall be based on the relation of the amount of the particular issue of long-term debt reacquired to the total outstanding before the reacquisition. This provision shall also apply to securities held alive in sinking or other funds.

(f) Except for such discount or expense as may be applicable to the construction period, no discount or expense on long-term debt shall be included in any account as a part of the cost of acquiring property or as a part of the cost of operation.

(g) Equipment and other long-term obligations reacquired by the carrier shall be entered in account 1920—Reacquired Securities, at face value. The difference between the face value and the amounts actually paid for the reacquired obligations shall be debited or credited as appropriate to account 8100—Extraordinary Income Credits, or account 8200—Extraordinary Income Charges. Likewise, any unamortized debt discount, expense or premium, applicable to the reacquired obligations, shall be adjusted through account 8100 or account 8200, as appropriate.

(h) When reacquired equipment and other long-term obligations are resold by the carrier, the amount included in account 1920—Reacquired Securities, shall be credited thereto, and any difference between the total amount realized from the sale (less commissions and expenses incident thereto) and the credit to account 1920, shall be included in account 8100 or account 8200, as appropriate, unless otherwise required by instrument of authority.

§ 182.01-18 *Book cost of securities owned.* (a) Securities of others acquired by the carrier shall be recorded in these accounts at cost, including brokerage and registration fees, stock transfer taxes, and similar expenses, at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends, except that amounts of interest included in the purchase price of bonds, which are not payable until maturity or until the bonds are disposed of, shall be included in these accounts as part of the cost (see Note B under account 1160)

(b) The carrier may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there is no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. A reserve may be provided in account 2630—Reserve for Adjustments—Investments and Advances, against declines in the value of securities reflected in accounts 1600—Investments and Advances—Affiliated Companies, and 1650—Other Investments and Advances, by charges to account 8200—Extraordinary Income Charges.

(c) When securities with a fixed maturity date are purchased at a discount

(that is when the total cost including brokerage fees, taxes, commissions, etc., is less than par), such discount may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which the interest income is credited. No debits shall be made in respect to discount upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity.

(d) When securities with a fixed maturity date are purchased at a premium (that is when the total cost including brokerage fees, taxes, commissions, etc., is in excess of par), such premiums may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same account in which the interest revenue is recorded.

§ 182.01-19 *Carrier operating property.* (a) (1) Amounts chargeable to the accounts numbered 1200 and 1300, designated as Carrier Operating Property accounts, shall be the actual cost to the carrier of the items properly includible therein, except when acquired as part of a distinct operating unit (see paragraph (f) of this section) including property jointly owned and property operated by the carrier under joint agreements, and shall be exclusive of any cost for intangible items includible in the subdivisions of account 1500—Organization, Franchises and Permits, or account 1550—Other Intangible Property. Also include the cost of such property owned by the carrier but held by agents.

(2) "Cost" shall include direct and indirect labor, materials, including small tools and similar items consumed in construction, transportation charges, contract work, rent of construction facilities and taxes; also such portions of engineering, supervision, purchasing department expenses, law expenditures, premiums for workmen's compensation, injuries and damages and other insurance applicable to the construction period; and other analogous elements entering into the construction or acquisition of property. If property, such as a structure or unit of equipment, including additions thereto, is constructed new or rebuilt by the carrier to increase its capacity or otherwise add to its usefulness for motor carrier service, or if parts are purchased and assembled by the carrier into a unit of equipment, the cost records for construction and assembly shall be maintained in a sufficiently complete manner to show the cost of labor, materials and other expenses incurred in such work.

(b) Betterments of operating property (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity) shall be included in the property accounts to the extent of the excess cost of such betterments (not including cost of installation and removal of items replaced) over the estimated cost

at current prices of new property similar to the items replaced. However, if a unit of property is to be rebuilt or remodeled to an extent that its expectation of service life will be fairly comparable with that of new property, the old property shall be retired as provided in § 182.01-21, and the appropriate property investment account shall be charged with the cost of the rebuilt or remodeled unit, based on the appraised value of the re-used parts, plus the cost of labor and material used in rebuilding or remodeling. The cost of removing old appliances constituting minor items (see paragraph (z) of § 182.00-1) and replacing them with new appliances which do not represent betterments, shall be charged to the appropriate account for operation and maintenance expenses.

(c) (1) Units of property (see paragraph (kk) of § 182.00-1) and additions to and betterments of existing property, having a life in excess of one year and costing more than \$50 shall be charged to the appropriate property investment accounts. Units having a life of one year or less or costing not more than \$50 may be charged to operating expenses. The carrier shall not parcel expenditures for acquisitions, when made under a general plan, for the purpose of charging them to expense; neither shall it combine unrelated items for the purpose of including their cost in the property investment accounts.

(2) A carrier will be permitted to adopt a limit of less than \$50 for charges to the property investment account, providing it files a statement with the Commission showing the amount it proposes to use and makes no subsequent change in the amount except by authority of the Commission.

(d) When operating property is purchased under any plan involving deferred payments, no charges shall be made to the operating property account for interest, insurance, or other expenditures occasioned by such form of payment.

(e) When the consideration given for property is anything other than cash, the cash value of such consideration shall be used, except that where physical property is given in exchange for physical property and no other form of consideration is involved, such property shall be recorded at the net book cost of the property given in exchange. In the journal entry recording such a transaction the actual consideration shall be described with sufficient particularity to identify it. The carrier shall be prepared to furnish to the Commission the particulars of its determination of the cash value of the consideration if other than cash.

(f) (1) When any motor carrier system or portion thereof constituting a distinct operating unit (see paragraph (v) of § 182.00-1) is purchased or otherwise acquired, the book cost of the constituent elements that are includible in account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others, and accruals of depreciation with respect to such property includible in account 2500—Reserve for Depreciation—Carrier Operating Property, shall be entered in those accounts at the amounts reflected on the

books of the transferor as of the date the transfer is consummated. Any undistributed portion of the cost of acquisition not includible in accounts provided for other tangible assets acquired or liabilities assumed, shall be included in account 1550—Other Intangible Property, except that if the accounts of the transferor reflect the actual cost of obtaining the operating rights included in the transaction from a regulatory body, including incidental expenses incurred, such cost may be charged to account 1511—Franchises, on the books of the transferee.

(2) If it is determined at the time the above entries are made on the books of the transferee, that the remaining service lives of the units of carrier operating property acquired will exceed or be less than those used by the transferor in computing depreciation rates on the property, and that accruals of depreciation had been excessive or inadequate, the accruals may, upon approval of the proposed accounting by the Commission, be adjusted on the basis of new rates determined from revised estimates which take into consideration the estimated remaining service lives of the property subsequent to acquisition by the transferee. Such adjustments of the depreciation accruals shall be made by concurrently adjusting the undistributed balance of the cost of acquisition included in account 1550.

(3) The journal entries allocating the property acquired by transferee to the operating property and other accounts and setting up the accrued depreciation thereon, should also cover any incidental expenses incurred by the transferee in connection with the transaction. Such expenses are includible in account 1550, except that if the actual cost to the transferor or predecessors in interest of obtaining the operating rights from a regulatory body cannot be determined for inclusion in account 1511 as provided in the preceding paragraph, the transferee may include in that account its expenses incurred in transferring the rights. Full supporting details showing the purchase price, the principals from whom the property was acquired, and the agents who represented such principals, shall be stated in the journal entries.

(4) In a transaction involving the acquisition of a distinct operating unit the purchaser shall obtain from the transferor or predecessor companies all available records and other evidence (or certified copies thereof) relating to prior acquisitions, construction and improvements of the property acquired.

(g) Records shall be kept so as to reflect separately the cost and date of acquisition of property jointly owned and property operated under a joint agreement.

(h) Except as provided in paragraph (c) of this section, the cost of initial improvements, including the erection of structures on, and of rearrangements, additions and betterments to property leased from others for periods in excess of one year made in the course of preparing the property for motor carrier operations and the cost of any subsequent additions to and betterments of

such leased property, not including replacements, shall be charged to account 1270—Improvements to Leasehold Property. Depreciation on such expenditures shall be provided for in the manner set forth in § 182.01-23 (c)

(i) (1) The investment in property used jointly in carrier and noncarrier operations shall be allocated between such operations according to the extent that it is used by each, or it shall be included in the investment account of the operation by which it is principally used and the other operation shall be charged a reasonable rental for its use of the common property.

(2) The carrier shall be prepared to show at any time and to report to the Commission when required, and by accounts, the following:

(i) The book cost of the common property.

(ii) The extent (percentage) to which such property is used in carrier operations and in other operations.

(iii) The basis for allocating the book cost, or method of determining the amount of the rental charge.

(3) If the investment is allocated between the operations, the expenses of operation, maintenance, taxes, depreciation and amortization of the common property shall be allocated and recorded in the appropriate accounts prescribed herein and the allocation of such expenses to carrier operations shall be supported in the same manner as the allocation of the cost of such property.

— § 182.01-20 *Transfer of property.* (a) When property is transferred from account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others, to account 1400—Non-Carrier Property, the book cost of the property shall be charged to account 1400 and the related depreciation reserve on the property shall be transferred from account 2500—Reserve for Depreciation—Carrier Operating Property, to account 2610—Reserve for Depreciation and Amortization—Other Property.

(b) When property is transferred from account 1400—Non-Carrier Property, to account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others, the book cost of the property shall be charged to accounts 1200 or 1300 and the related depreciation on the property shall be transferred from account 2610—Reserve for Depreciation and Amortization—Other Property to account 2500—Reserve for Depreciation—Carrier Operating Property.

§ 182.01-21 *Retirement of property.* (a) *Carrier operating property.* When carrier operating property ceases to be used in motor carrier operations, it shall be retired and accounted for as follows:

(1) *Property depreciated under "Unit Plan."* (i) When a unit of property (see paragraph (kk) of § 182.00-1) on which depreciation charges have been accrued under the unit plan (see § 182.01-23) is retired from service, the book cost of the property shall be credited to the appropriate property account and concurrently charged to a clearing account classified under account 1890—

Other Deferred Debits. The clearing account shall be credited with the value of salvage recovered in case the property is dismantled; the amount received from the sale or trade-in of the retired property or with the amount of insurance recovered, including amounts provided for in any insurance or other reserve with respect to the retired property when such reserve covers the cause of the retirement; and with the amount of depreciation accrued to date of retirement with a concurrent charge to account 2500—Reserve for Depreciation—Carrier Operating Property.

If the property retired is to be rebuilt in conformity with the provisions of § 182.01-19, the accounting shall be performed as outlined above, except that the appraised value of the parts to be utilized in the rebuilt unit shall be charged to account 1290—Unfinished Construction, with contra credit to the clearing account.

Any balance remaining in the clearing account after the foregoing entries have been made, except as set out in paragraph (b) of this section, shall be transferred to account 5100—Depreciation Adjustment.

(ii) If property included in account 1270—Improvements to Leasehold Property, reverts to the lessor prior to the expiration of its service life, the balance in the clearing account upon retirement shall be transferred to account 8200—Extraordinary Income Charges.

(2) *Property under "Group Plan" of depreciation.* When a unit of property (see paragraph (kk) of § 182.00-1) on which depreciation charges were accrued under the group plan (see § 182.01-23) is retired from service, the book cost thereof shall be credited to the appropriate property account and concurrently charged, together with the cost of removal, to the depreciation reserve account. Any salvage or insurance recovered, including amounts provided for in any insurance or other reserves with respect to the retired property, when such reserve covers the cause of retirement, or the proceeds, if the property is traded in or sold, shall be credited to the depreciation reserve account. No further entries are required, as under this plan over or under accruals of depreciation are not cleared from the depreciation reserve.

(3) *Minor items.* When the property retired constitutes a minor item* (see paragraph (z) of § 182.00-1) the book cost of which has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit of property is retired, no adjustment of the operating property account or depreciation reserve is required therefor. When a minor item is retired and replaced, with property of like purpose, the entire cost of replacement shall be charged to the account appropriate for the cost of repairs of the property retired, except that if the replacement effects a betterment (see § 182.01-19 (b)), there shall be charged to the property account, the excess cost of the replacement over the estimated cost at current prices of new property similar to the items retired. The cost of labor used in

effecting the replacement shall be included in operating expenses.

(4) *Land.* When land is sold, the book cost shall be credited to the land account and any difference between the book cost and the sales price, less commissions and expenses on the sale, shall be adjusted through account 8100—Extraordinary Income Credits, or account 8200—Extraordinary Income Charges, as appropriate. (See § 182.01-19 (e).)

(5) *Distinct operating unit.* When carrier operating property used in transportation operations and the operating rights associated therewith are sold as a distinct operating unit (see paragraph (v) of § 182.00-1), the book cost of the property shall be credited to the appropriate operating property and intangible property accounts and the amounts carried with respect thereto in the depreciation and amortization reserve accounts, estimated if necessary, shall be charged to such reserves (see, however, account 1280 (a)). The difference, if any, between (i) the net amount of such debit and credit items, and (ii) the consideration received for the distinct operating unit, shall be included in account 8100—Extraordinary Income Credits, or account 8200—Extraordinary Income Charges, as appropriate.

(6) *Determination of book cost.* The book cost of operating property retired shall be the amount at which such property is included in the operating property accounts including all items set forth in § 182.01-19. Such costs shall be determined from the carrier's records when this can be done, as in the case of land, structures, revenue automotive equipment, service equipment, furniture, and other items of operating property for which individual cost records are available. When the actual book cost cannot be determined from the records, it shall be estimated. When it is impracticable to determine the book cost of each item due to the relatively large number and/or small cost of such items, the average book costs of all the items, with due allowance for differences in size or character, shall be used as the book cost of the items retired. The latter method may be applied in retirement of such items as tools, furniture, etc.

(b) *Intangible property.* (1) When any long-term leasehold of land or easement, franchise, permit, consent, privilege or patent having a fixed term expires, it shall be retired. The intangible property or other property account shall be credited with the amount charged thereto and account 2600—Reserve for Amortization—Carrier Operating Property, shall be charged with the amount of amortization accruals previously credited thereto in respect to such property. Any difference between the book cost of the item and the amortization accruals shall be charged to account 5151—Amortization of Carrier Operating Property.

(2) When any perpetual leasehold of land or easement, or item of intangible property that is not restricted to a fixed term is relinquished or sold, it shall be retired. Any difference between its book cost and the amortization charges accrued, if relinquished, or between its net book cost (see paragraph (aa) of § 182.00-1) and the proceeds realized, if

sold, shall be included in account 8100—Extraordinary Income Credits, or account 8200—Extraordinary Income Charges, as appropriate.

§ 182.01-22 *Insurance.* (a) Provision has been made in accounts 4530—Public Liability and Property Damage, 4540—Workmen's Compensation, and 4550—Cargo Loss and Damage, for recording amounts of premiums paid commercial insurance companies, and charges for the purpose of maintaining self-insurance reserves. Amounts payable by the carrier in settlement of claims under the classes of risks set out in the above accounts, not recoverable from insurance companies or others, shall be charged to the appropriate reserves provided for such risks.

(b) Accounts 4560—Fire, Theft and Collision, and 4570—Other Insurance Expense, have been provided for recording amounts of premiums payable to commercial insurance companies, and charges for maintaining reserves against losses under the risks enumerated therein. Inasmuch as such risks represent losses that may be sustained by the carrier rather than claims against it by others, coverage by commercial insurance or self-insurance reserves is not a mandatory requirement, and if no provision is made for such coverage, losses from fire or collision shall be charged to the appropriate maintenance expense accounts if the property is repaired (see paragraph (f) of this section) or if it is retired from service retirement accounting shall be performed as provided in § 182.01-21.

(c) Reserves created for self-insurance of injuries and damages, workmen's compensation and cargo loss and damage shall be included in account 2680—Injuries, Loss and Damage Reserves. Reserves created for self-insurance of all other risks shall be included in account 2660—Insurance Reserves. Monthly charges to expense accounts for the purpose of creating reserves for self-insurance liability shall be determined currently by the carrier from its best source of information and the rates used may be based on percentage of revenue, mileage of vehicles, amounts of payrolls or other equitable bases. A schedule of the risks covered by each reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

(d) Amounts payable by the carrier in settlement of cargo loss and damage claims and other claims, including those paid by the carrier for which it will be reimbursed wholly or in part by insurance companies, connecting carriers or others, shall, as provided in paragraph (a) of this section, be charged to account 2680—Injuries, Loss and Damage Reserves. Parts of such claims that are payable by insurance companies or others, less any adjustment for salvage recovered, shall when their liability is determined be credited to the reserve.

(e) A freight claim register shall be maintained, showing for each cargo loss and damage claim received, the claim number, date and amount; the waybill or expense bill number and date; name of claimant; kind of commodity; date claim

was paid; total amount paid, or date claim was disallowed and reasons; amount of salvage recovered, if any; amounts reimbursed by insurance companies, connecting carriers or others, and the amount absorbed by the carrier. Each claim received shall be entered in the register and should be supported by the complete file of claim papers. However, if the claim papers are retained by insurance companies, connecting carriers or others, the carrier's records should contain an acknowledgment from the party retaining the claim file that the papers are in its possession.

(f) The cost of repairs to owned or leased carrier operating property involved in accidents or damaged by fire or other causes, and of replacing damaged or destroyed property leased from others, shall be charged to the appropriate maintenance expense accounts provided for repairs of such property. When the amounts receivable from insurance companies or others in full or partial reimbursement of such costs, if any, are determined, they shall be credited to the account previously charged, together with the value of salvaged materials recovered.

(g) Insurance premiums paid in advance of their accrual, to commercial insurance companies shall be charged to account 1800—Prepayments, and distributed to the appropriate insurance expense accounts in monthly installments over the period for which the premiums have been paid, except that minor premiums may be charged direct to the insurance expense accounts. If it is anticipated that a dividend or refund will be received on prepaid premiums at the end of the year or other period covered by the insurance, an amount equal to the estimated dividend or refund shall be retained in account 1800 and the balance of the premium shall be charged to expense in monthly installments as set out above. When the dividend or refund is received, it shall be credited to account 1800. Any discrepancy between the estimated dividend or refund and the amount actually received shall be adjusted to the appropriate insurance expense accounts. If insurance premiums are paid on a monthly basis and it is anticipated that a dividend or refund will be received at the end of the year, a part of each monthly payment equal to one-twelfth of the estimated dividend shall be charged to account 1800 and the balance of the payment shall be charged to the insurance expense account. When the actual dividend is received accounting shall be performed as set out above.

NOTE: The amounts of premiums for life insurance on the lives of officers and other employees under which the carrier is the named beneficiary, less portions of such premiums which represent increases in the cash surrender value of the policies, shall be charged to account 7500—Other Deductions. Cash surrender values of such policies shall be included in account 1650—Other Investments and Advances. Premium expense and cash surrender value of insurance on the life of a sole proprietor shall not be included in these accounts.

§ 182.01-23 Depreciation and amortization. (a) In order that provision may be made for accruals of depreciation (see

paragraph (t) of § 182.00-1) on carrier operating property, the carrier shall establish and maintain adequate depreciation reserves. The straight-line method (see paragraph (j) of § 182.00-1) of computing depreciation under the unit plan or group plan as set out below, shall be employed, except that the mileage method may be used for automotive equipment, in which event the rate per mile shall be applied to the number of miles traveled each month.

(1) "Unit Plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accrued applicable to each unit of property can be determined.

(2) "Group Plan" means the plan under which depreciation charges are accrued upon the basis of the sum total of the book cost balances at the close of each month of all property included in each depreciable property account or subdivision thereof, at rates determined from the average of the service lives of all property included therein, and upon the retirement of any such property its full book cost, is charged to the depreciation reserve regardless of whether or not the particular item has attained the average service life. (See § 182.01-21 (a) (2).)

(b) There shall be charged each month to the subdivisions of account 5000—Depreciation Expense, and concurrently credited to the appropriate subdivisions of account 2500—Reserve for Depreciation—Carrier Operating Property, during the service life of depreciable property included in account 1200—Carrier Operating Property, amounts that will approximate the loss in service value (see paragraph (ii) of § 182.00-1) not restored by current maintenance, except that carriers engaged in seasonal operations may apportion the estimated annual depreciation charge over the months in which operations are actually conducted.

(1) Depreciation charges on property included in accounts

1210—Structures.
1220—Revenue Equipment.
1230—Service Cars and Equipment.

shall be computed on the unit plan, and depreciation shall cease when amounts equal to the estimated service value have been credited to the depreciation reserve.

(2) Depreciation charges on property included in accounts

1240—Shop and Garage Equipment.
1250—Furniture and Office Equipment.
1260—Miscellaneous Equipment.

shall be computed under either the unit plan or the group plan. If the group plan is used, composite annual percentage rates shall be determined applicable to the book cost of each class of operating property to be depreciated. These percentage rates shall be based on the estimated service values and service lives of the property, developed by a study of the carrier's experience and other available information. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge to depreciation expense

for that account equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account. In computing monthly charges for depreciation, one-twelfth of the composite annual percentage rate applicable to each primary account shall be applied to the account balances as of the first of the current month.

(c) Depreciation charges on property included in account 1270—Improvements to Leasehold Property, shall be made upon the same basis as for similar depreciable property, includible in other property accounts. (See § 182.01-21.)

(d) Amounts representing the first cost of acquiring long-term leaseholds of land and easements for use in motor carrier operations, included in account 1201—Land and Land Rights; and amounts representing intangible items with fixed terms included in account 1511—Franchises, and account 1541—Patents, may be amortized by means of charges to account 5151—Amortization of Carrier Operating Property, and concurrent credits to account 2600—Reserve for Amortization—Carrier Operating Property. Amortization of costs of acquiring perpetual leaseholds and for intangible items carried in accounts 1501, 1511 and 1541 that are not restricted to fixed terms, and items in account 1550—Other Intangible Property, may also be credited to account 2600 by concurrently debiting account 7500—Other Deductions; or the entire amounts of such items may be written off by means of debits to the proprietorship account or to account 2948—Other Debits to Earned Surplus, and concurrent credits to account 2600.

(e) Depreciation and amortization charges on non-operating property shall be charged to account 6100—Income from Non-Carrier Operations, net; with concurrent credits to account 2610—Reserve for Depreciation and Amortization—Other Property.

NOTE: For instructions with regard to adjustment of depreciation upon retirement of carrier operating property, see § 182.01-21.

§ 182.01-24 Taxes and licenses. Taxes and licenses relating to motor carrier operations and property, payable to Federal, State, county, municipal and other taxing authorities, with the exception of certain taxes specifically referred to in the texts of the accounts shall be included as appropriate in the subdivisions provided under account 5200—Operating Taxes and Licenses. These accounts shall be charged each month with the amount of taxes applicable thereto, with concurrent credits to account 2120—Taxes Accrued, or account 1800—Prepayments, as appropriate. When it is not possible to determine the actual amount of taxes, they shall be estimated and adjusted when the actual taxes become known.

§ 182.01-25 Joint facilities. (a) Where the reporting carrier operates the joint facility (see paragraph (w) of § 182.00-1) any amounts received from other carriers using the facility as reimbursement of operation and maintenance costs shall be credited to the appropriate

joint facilities—credit account under equipment maintenance expenses; terminal expenses; or administrative and general expenses. Any amounts received representing the other carriers' proportions of rent, or for depreciation, taxes and a return on the investment in the joint facility if owned by the carrier, shall be credited to account 5390—Joint Facility Rents—Credit.

(b) Where the joint facility is operated by another carrier, any amounts paid by the reporting carrier under joint facility arrangements for operating and maintenance costs shall be charged to the appropriate joint facilities—debit account in the operation and maintenance group of accounts and any amounts paid for rent, or for depreciation, taxes and a return on the investment in the joint facility if owned by the other carrier, shall be charged to account 5340—Joint Facility Rents—Debit.

(c) The carrier operating the joint facility shall include a statement of the distribution of the income and expenses of the facility on bills rendered joint users.

§ 182.01-26 *Deduction of reserves.* In stating the balance sheet, reserves shall be shown separately and shall be deducted from the specific assets to which they apply. Reserves not applicable to specific assets shall be shown on the liability side. See form of balance sheet following balance sheet accounts.

§ 182.01-27 *Allocation of expenses between line haul and pickup and delivery.* (a) Provision has been made for subdividing the following accounts to show separately the amounts applicable to line haul equipment and pickup and delivery equipment:

4130—Repairs and Servicing—Revenue Equipment.
4160—Tires and Tubes—Revenue Equipment.
4230—Drivers and Helpers.
4250—Fuel for Revenue Equipment.
4260—Oil for Revenue Equipment.
4270—Purchased Transportation.
5020—Depreciation of Revenue Equipment.
5210—Gasoline, Other Fuel and Oil Taxes.
5220—Vehicle License and Registration Fees.

(b) Assignments to the subdivisions for line haul and pickup and delivery shall be made according to the predominant use of equipment. Consequently, all expenses of operation of line-haul equipment will be shown in the line haul subdivision although such equipment may be used to some extent in pickup and delivery service. Similarly all expenses of pickup and delivery equipment will be shown in the pickup and delivery subdivisions although such equipment may be used occasionally in line-haul service.

(c) Expenses of operating equipment used predominantly in local cartage service shall be included in the pickup and delivery subdivision.

(d) The subdivisions for line haul and pickup and delivery are required to be maintained only by carriers engaged predominantly in intercity transportation of general commodities. Carriers whose operation is predominantly that of a contract carrier or a carrier of special commodities are not required to

maintain the subdivisions for line haul and pickup and delivery.

(e) Any carrier which finds it impracticable to segregate expenses as required by this instruction should furnish the Commission with full particulars of the conditions which prevent the proper segregation. Upon receipt of such information carriers will be advised of the procedure to be followed.

BALANCE SHEET ACCOUNTS

ASSET SIDE

Current Assets

§ 182.1000 *Cash.* This account shall include current funds in the hands of financial officers and agents, cash in transit for which agents have been credited and deposits in banks or trust companies available on demand for general company purposes.

NOTE A: This account shall not be credited with the amount of checks or drafts until they have been transmitted to payees.

NOTE B: Bank overdrafts shall be shown on the balance sheet as a credit balance in this account.

NOTE C: Funds (other than savings accounts) subject to withdrawal restrictions and deposits in closed banks shall not be included in this account. Such funds definitely known to be available within one year shall be included in account 1100—Other Current Assets. Deposits in closed banks, which it is reasonably certain will not be available within one year, shall be included in account 1630—Other Deferred Debits.

§ 182.1020 *Working funds.* This account shall include amounts advanced to officers, agents, employees, and others as petty cash or working funds of a continuing nature from which certain expenditures are to be made and accounted for.

NOTE: Advances to drivers and others for lodgings, meals and other expenses which are to be accounted for at the end of a trip, etc., if not advanced from a petty cash fund, shall be charged to a subdivision of account 1630—Other Deferred Debits, pending distribution to appropriate expense and other accounts.

§ 182.1040 *Special deposits.* This account shall include the balance of the amounts included in accounts 1041, 1042, and 1043, for short-term deposits.

§ 182.1041 *Interest special deposits.* This account shall include cash and bank credits placed in the hands of fiscal agents or others for the payment of interest on behalf of the carrier. When interest is paid from such deposits, it shall be credited to this account and charged to the appropriate accrued or matured interest account. Payments to trustees or other agents of the holders of bonds or other securities of the interest accrued thereon which operate under the terms of the securities or of mortgages supporting such securities as a release of the paying company from further liability for such interest, shall be charged to the appropriate interest accrual account.

§ 182.1042 *Dividend special deposits.* This account shall include cash and bank credits placed in the hands of fiscal agents or others for the payment of dividends on behalf of the carrier. When

dividends are paid from such deposits, they shall be credited to this account and charged to the appropriate dividend account.

§ 182.1043 *Miscellaneous special deposits.* This account shall include bank deposits subject to withdrawal for specific purposes only, and cash and bank credits placed in the hands of fiscal agents or others for special purposes other than the payment of interest or dividends, such as deposits with Federal, state, or municipal authorities, public utilities, or others, as a guaranty for the fulfillment of current obligations. Entries to this account shall specify the purpose for which the deposit is made.

NOTE A: This account shall not include any assets available for general company purposes.

NOTE B: Deposits made on the purchase of operating rights, revenue equipment and other equipment, etc., shall be included in account 1630—Other Deferred Debits.

§ 182.1060 *Temporary cash investments.* (a) This account shall include the book cost (see § 182.01-18) of investments such as time drafts and time loans receivable, bankers' acceptances, United States Treasury certificates, marketable securities, and similar investments acquired for the purpose of temporarily investing cash. Any securities included in this account must be of such a nature as to be readily convertible into cash at substantially their book value.

(b) This account shall be subdivided to reflect separately:

- (1) Temporary cash investments; affiliated companies.
- (2) Temporary cash investments; other.

NOTE A: Amounts carried in this account as pledged shall be shown separately from amounts unpledged.

NOTE B: There shall not be included in this account amounts properly includible in accounts 1000—Investments and Advances—Affiliated Companies, or 1630—Other Investments and Advances.

§ 182.1080 *Notes receivable.* (a) This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be subdivided to reflect separately:

- (1) Notes receivable—officers, stockholders and employees.
- (2) Notes receivable—other.

NOTE A: Notes receivable from affiliated companies shall be included in account 1100—Receivables from Affiliated Companies, or account 1600—Investments and Advances—Affiliated Companies, as appropriate.

NOTE B: The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall be credited to account 2000—Notes Payable.

§ 182.1100 *Receivables from affiliated companies.* (a) This account shall include the total of amounts receivable from affiliated companies (see paragraph (f) of § 182.00-1) which are subject to current settlement (see paragraph (c) of § 182.00-1), such as balances in open

accounts for services rendered; material furnished, interline accounts, claims, rent for use of property and similar items; interest and dividends due from affiliated companies; loans and drafts for which affiliated companies are liable, and notes receivable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be subdivided as follows:

1101—Loans and Notes Receivable.

1105—Interest and Dividends Receivable.

1109—Accounts Receivable.

NOTE A: On the balance sheet, accounts receivable from affiliated companies shall be set off against accounts payable to the same companies.

NOTE B: No amount representing dividends receivable shall be included in this account unless the dividends have been declared or guaranteed.

NOTE C: Items which are not subject to current settlement shall be included in account 1600—Investments and Advances—Affiliated Companies.

§ 182.1120 *Accounts receivable, agents, customers and interline.* This account shall include amounts currently due from customers for transportation and storage charges and for advances to other carriers and warehouses for the account of customers; balances due from other carriers (except affiliated companies) against each of which there is a net debit balance representing interline freight accounts; amounts due from customers and from other carriers as rent for revenue equipment with or without drivers; also the net balances in current accounts due from agents, including drivers, other employees and representatives, charged with the collection or custody of current transportation revenues.

NOTE A: At the end of each calendar year, for the purposes of the annual report to this Commission, the carrier shall prepare an analysis of the balance in this account, segregating the items included therein to show balances due from customers, from other carriers, and from agents.

NOTE B: The amounts of accounts receivable discounted, that have been sold or transferred, unless transferred without recourse, shall be credited to account 2050—Accounts Payable.

§ 182.1130 *Accounts receivable; other.* This account shall include amounts due from others (except items provided for in accounts 1100 and 1120) that are subject to current settlement (see paragraph (c) of § 182.00-1) for material and supplies furnished and services rendered, except transportation and storage charges, including use of property, other matured rents, interest and dividends due, amounts owing by public authorities, amounts of collectible judgments, current accounts with officers and employees, and other accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals.

NOTE A: Amounts advanced to officers, employees or others as petty cash or working funds shall be included in account 1020—Working Funds; amounts advanced to drivers and other employees for lodgings, meals and similar expenses shall be included in account 1890—Other Deferred Debits, pending distribution to appropriate expense and other accounts.

NOTE B: At the end of each calendar year, for the purposes of the annual report to this

Commission, the carrier shall prepare an analysis of the balance in this account, segregating the items included therein to show balances due from officers, employees and stockholders and balances due from others.

NOTE C: The amounts of accounts receivable discounted, that have been sold or transferred, unless transferred without recourse, shall be credited to account 2050—Accounts Payable.

§ 182.1140 *Subscribers to capital stock.*

(a) This account shall include the balances due from subscribers upon legally enforceable subscriptions to capital stock.

(b) The amount of each subscription shall be charged to this account at the time the subscription is accepted. Concurrently there shall be credited to account 2730—Capital Stock Subscribed, the par or stated value of the stock subscribed or the agreed purchase price in the case of non-par stock without a stated value. Appropriate entries shall likewise be recorded with respect to any discount or premium on par value stocks or non-par value stocks with a stated value.

NOTE: The records supporting the entries to this account shall be kept so that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

§ 182.1160 *Interest and dividends receivable.* This account shall include the amount of current interest accrued on bonds, mortgages, notes, and other commercial paper owned; on loans made; open accounts; bank deposits, etc., and the amount of dividends receivable on stocks owned. (See § 182.01-13)

NOTE A: Interest and dividends receivable from affiliated companies shall be included in account 1100—Receivables from Affiliated Companies.

NOTE B: Interest which is not subject to current settlement shall be included in the account in which is carried the principal on which the interest is accrued.

NOTE C: No amount representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE D: No interest or dividends on securities or obligations issued or assumed by the carrier shall be included in this account.

§ 182.1180 *Material and supplies.* (a) This account shall include the cost, including deposits on oil drums and other containers (less cash or other discounts when they can be determined) of all unapplied materials and supplies used in carrier and noncarrier operations, with the exception of stationery and printed matter (see account 1800), including tools, repair parts, fuel, tires and tubes, etc. The cost shall include all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the carrier including loading and unloading, and at the option of the carrier, it may include a suitable proportion of purchasing and store expenses in which case corresponding credits shall be made to account

4675—Purchasing and Store Expenses. The cost shall also include sales and excise taxes on material purchases, except that sales and excise taxes on gasoline, other motor fuel, and motor oil, which are includible in account 5200—Operating Taxes and Licenses, shall be charged to that account when such material is purchased.

(b) When any materials or supplies, the cost of which has been charged to this account, are issued for use, the amount at which they stand charged herein shall be credited to this account and charged to the appropriate construction, operation and maintenance expense, or other account. Such amount may be based upon the average cost of all items of a given type included in this account at the beginning of the period.

(c) Materials recovered in connection with construction, maintenance, or the retirement of property shall be charged to this account as follows:

(1) Reusable materials shall be included in this account at amounts not to exceed cost, estimated if not known.

(2) Scrap and non-usable materials shall be carried at the estimated salvage value. So far as practicable, the difference between the amounts realized from sale or disposal and the amounts at which the materials are carried in this account shall be adjusted in the depreciation reserves, repair accounts, or other accounts which were credited when the materials were charged to this account.

NOTE A: Interest charged on bills for material and supplies, the payment of which is delayed, shall be charged to account 7100—Interest.

NOTE B: Inventories of materials and supplies shall be taken at intervals of one year or less, and the necessary adjustment shall be made to bring this account into harmony with the actual physical inventory. In effecting this adjustment, differences which may practicably be assigned to important classes of materials shall be equitably distributed among the accounts to which such classes of materials are ordinarily chargeable. Other differences shall be equitably apportioned among the operation and maintenance expense accounts to which materials have been charged since the last inventory. Such differences that cannot be allocated to the operation and maintenance expense accounts shall be included in account 4675—Purchasing and Store Expenses.

NOTE C: The value of tires and tubes including taxes furnished by the vendor with newly acquired revenue equipment may be included in account 1800 or charged direct to expense.

NOTE D: Credits for cash and other discounts that cannot be applied directly to the cost of materials to which they apply shall be included in account 4675—Purchasing and Store Expenses.

§ 182.1190 *Other current assets.* This account shall include the amount of all current assets (see paragraph (c) of § 182.00-1) not includible in any of the foregoing current asset accounts, including the cost of property purchased for resale; and the estimated value of property acquired in connection with the settlement of cargo loss and damage claims, pending disposition.

Tangible Property

§ 182.1200 *Carrier operating property.*

(a) This account shall include the

total of the amounts representing the cost (see § 182.01-19) of carrier operating property included in accounts 1201 to 1290, inclusive, owned and used by the carrier in its motor carrier operations, including such property owned by the carrier but held by agents.

(b) Records shall be established to show the description, date of acquisition and cost of each parcel of land, each structure, unit of equipment or other unit of property (see paragraph (kk) of § 182.01-1) included in the subdivisions of this account. The records for property depreciated under the unit plan shall also reflect for each unit the estimated service life, depreciation rate and estimated salvage value so that the balance in account 2500—Reserve for Depreciation—Carrier Operating Property, with respect to each unit can be determined at any time.

§ 182.1201 *Land and land rights.* (a) This account shall include the cost of land used directly in connection with the motor carrier operations of the carrier, including the first cost of acquiring long-term and perpetual leaseholds of land and easements, but not rents payable periodically in consideration of rights so obtained.

(b) The cost of buildings and other improvements (other than public improvements) shall not be included in this account. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are subsequently devoted to carrier operations, the land and improvements shall be separately appraised and the cost allocated to this account and to account 1210—Structures, on the basis of the appraisals. If the improvements are removed or wrecked prior to use of the property in carrier operations, the cost of the improvements to the carrier, together with the cost of removing or wrecking, less salvage recovered, shall be included as part of the cost of the land.

(c) Carriers shall keep their records so as to show separately the cost of each parcel of land or interest therein and the purpose or purposes for which used in motor carrier operations.

ITEMS

Clearing land of brush, trees, and debris (first cost of).
 Condemnation proceedings, including court costs and special counsel fees.
 Consents and abutting damages, payment for.
 Conveyancers' and notaries' fees.
 Easements, cost of, and expenses of acquisition.
 Fees and commissions to brokers and agents.
 Grading.
 Land, cost of.
 Long-term and perpetual leases, cost of, and expenses incidental to, acquiring, (but not amounts paid as rent).
 Leases, voiding, to secure possession of land.
 Relocating property of others.
 Sidewalks on public streets abutting carrier's property.
 Special assessments on the basis of benefits for new roads, new bridges, new pavements, new sewers, and other public improvements (but not any taxes levied to provide for maintenance of such improvements).

Surveys.

Taxes assumed, accrued prior to date of transfer of title.

Title, examining, registering, clearing, insuring and defending against claims relating to period prior to purchase.

NOTE A: When land is acquired in excess of that required for motor carrier operations, or for which there is no definite plan for its use in such service within one year, the cost of such land shall be charged to account 1400—Non-Carrier Property. If land originally charged to that account is later used for motor carrier operations, it shall be transferred to account 1201 at its cost when acquired. (See § 182.01-20.)

NOTE B: Assessments for public improvements upon which payments are deferred shall be charged to this account in full and the unpaid balance carried in account 2300—Other Long Term Obligations. Interest on unpaid balances shall be charged to account 7100—Interest.

NOTE C: Amortization of fixed term interest in land and land rights shall be charged to account 5151—Amortization of Carrier Operating Property, with concurrent credits to account 2600—Reserve for Amortization—Carrier Operating Property.

§ 182.1210 *Structures.* (a) This account shall include the cost in place (see § 182.01-19) of structures used in motor carrier operations for such purposes as general offices, shops, garages, terminals, loading platforms, and the like situated on owned land. This includes buildings or constructions to house, support, or safeguard property or persons, with all appurtenant fixtures permanently attached thereto, and improvements to owned land, and other structures or constructions situated on land the investment in which is included in account 1201—Land and Land Rights.

(b) Carriers shall keep their records so as to show separately the cost of each structure included in this account and the purpose or purposes for which used in motor carrier operations.

ITEMS

Architect's plans.
 Ash pits.
 Awnings.
 Bollers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signaling, ventilating and plumbing.
 Bridges and culverts.
 Chimneys.
 Commissions and fees to brokers, agents, architects, and others.
 Conduits (not to be removed).
 Damages to abutting property during construction.
 Door checks and door stops.
 Drainage and sewerage systems.
 Elevators, cranes, hoists, etc., and the machinery for operating them.
 Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material.
 Fences and hedges.
 Fire protection systems.
 Floor covering (permanently attached).
 Foundations and piers for machinery constructed as a permanent part of a building or other unit listed herein.
 Grading and preparing grounds for buildings, including landscaping of grounds after construction.
 Leases, voiding, to secure possession of structures.
 Oil pits and drainage systems.
 Outside lighting systems.
 Painting, first.
 Permits and privileges, building.
 Platforms, railings, gratings and partitions, when constructed as part of structure.

Power boards for service to a building.

Refrigerating systems.

Retaining walls.

Scales, connected to and forming part of the structure.

Screens.

Sidewalks, pavements and driveways on building grounds.

Sprinkling systems.

Storage facilities constituting part of building.

Storage tanks, underground or attached to structures.

Storm doors and windows.

Structures, cost of.

Subways, arcways, and tunnels, directly connected to and forming part of the structure.

Vaults, constructed as part of the building.

Water supply system for building or general company purposes.

Window shades and ventilators.

Wiring for office equipment if made a part of a structure.

NOTE A: The cost of specially provided foundations not expected to outlast the machinery or apparatus for which they are provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment shall be charged to the same account as the cost of the machinery or equipment.

NOTE B: When part of a structure is removed in order to build an extension thereto, the accounting therefor shall be in accordance with § 182.01-19 (b).

NOTE C: The cost of structures under construction shall be carried in account 1230—Unfinished Construction, until ready for service.

§ 182.1220 *Revenue equipment.* (a) This account shall include the cost (see § 182.01-19) of all units of revenue freight equipment, the cost of repairs, overhauling, painting, lettering, and the first set of accessory equipment necessary to fit them for service, excluding tires and tubes (see Note A under account 1800—Prepayments). The term "revenue freight equipment" includes body and chassis and all fixtures and appliances inside of or attached to the body or chassis.

(b) If revenue freight equipment is purchased in a condition ready for service, the charge to this account shall include the invoice or contract price, (excluding tires and tubes) less fleet and other discounts, if any, plus freight, excise and sales taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of the vehicles upon the premises of the carrier, such as driveway charges, and the cost of painting and lettering and of any additions or attachments made after delivery, but not interest, insurance or other expenses incurred under any plan of purchase involving deferred payments, or the gain or loss on retirement of equipment given in trade.

(c) This account may also include the cost of spare engines and other major units carried on hand for the purpose of temporarily replacing similar units taken into the shop for overhauling, repairing, or any other reason.

ITEMS

Automobiles (used to transport freight).
 Containers and lift vans.
 Fifth wheels.
 Horses and mules.
 Radio communication equipment on revenue vehicles.
 Refrigeration units.

Road dollies.
Rigging equipment.
Sanders.
Semi-trailers.
Tractors.
Trailers.
Trucks (freight or hoist).
Truck-tractors.
Wagons.

§ 182.1230 *Service cars and equipment.* This account shall include the cost (see § 182.01-19) of aeroplanes and automobiles used in conducting motor carrier operations, and of automotive vehicles used in keeping revenue vehicles in operation, such as wreckers and trouble wagons for servicing revenue vehicles on the road. This account shall also include the cost of the first set of appliances or accessory equipment, including tires and tubes, necessary to fit such vehicles for service, such as cranes, hoists and other appliances, devices and tools forming the equipment of service cars.

ITEMS

Aeroplanes.
Automobiles.
Emergency repair vehicles and appliances.
Radio communication equipment on service vehicles.
Refueling cars.
Sand and salt cars.
Snow-fighting vehicles and equipment.
Snow plows for use on revenue or service equipment.
Spare units for service vehicles, on hand in shop (optional).
Tow cars, wreckers, and appliances.

§ 182.1240 *Shop and garage equipment.* (a) This account shall include the installed cost (see § 182.01-19) of machinery and equipment, other than office furniture and equipment, used in shops and garages when such machinery and equipment is not an integral part of the housing structure, together with specially provided foundations and settings not expected to outlast the machinery mounted thereon. Records shall be kept so as to show separately the cost of each major item of equipment.

(b) If the carrier has shops or garages at more than one location, the records shall be maintained to reflect the carrier's investment at each location.

ITEMS

Air compressors and hose, gauges and tanks.
Anvils.
Arbor presses.
Battery charging outfits.
Belts, shafts and countershafts.
Boring or reaming machines.
Car washing equipment.
Cranes and hoists (portable).
Creepers.
Drill presses.
Electric equipment.
Engines and boilers.
Forges.
Gasoline and oil pumps and portable tanks.
Greasing racks and pumps.
Grinders.
Jacks.
Lathes.
Lockers.
Machine tools.
Motor driven hand tools.
Motor starters.
Oil reclaiming machines.
Paint sprayers.
Pneumatic tools.
Storage bins and shelving (movable).
Store room equipment (except office furniture and equipment).

Stoves.
Testing apparatus.
Tire changing equipment.
Tool racks.
Vises.
Vulcanizing equipment.
Weighing devices (portable).
Welding apparatus.
Wheel pullers.
Wiring for shop equipment (movable).
Work benches.

NOTE A. The cost of small portable tools and implements of slight value or short life, other than those included in the initial equipment of a shop or garage, shall be charged to account 4180—Other Maintenance Expenses.

NOTE B: The cost of cranes, hoists and other appliances, devices and tools forming the equipment of wreckers, service cars, etc., shall be charged to account 1230—Service Cars and Equipment.

§ 182.1250 *Furniture and office equipment.* (a) This account shall include the installed cost (see § 182.01-19) of furniture and appliances used in general offices, garage, terminal and other offices, when such equipment is not an integral part of the housing structure.

(b) The records shall be maintained to reflect the carrier's investment in furniture and office equipment at each location.

(c) If the carrier operates or owns auxiliary terminal facilities such as restaurants for employees, the cost of owned equipment therein shall be charged to this account and carried under a special subdivision entitled "Furniture and Office Equipment—Special Facilities"

ITEMS

Book cases.
Cash registers.
Chairs, stools and benches.
Clocks.
Communication systems (inter-office and central office two-way radio equipment).
Counters.
Desks.
Equipment in rest, dining, recreation and medical rooms.
Fans, electric.
Filing cabinets.
Fire extinguisher equipment.
Floor coverings (movable).
Heaters and lamps (movable).
Kitchen equipment.
Lighting fixtures (movable).
Lockers.
Loud speaker system.
Office equipment (mechanical).
Partitions and railings (movable).
Restaurant equipment.
Safes (movable).
Show cases and shelves.
Tables and counters.
Teletypewriters.
Time clocks.
Typewriters.
Vacuum cleaners.
Water coolers.
Wiring for office equipment (movable).

NOTE: Small articles of slight value or of short life (see § 182.01-19 (c)) shall be charged to the appropriate expense accounts.

§ 182.1260 *Miscellaneous equipment.* This account shall include the cost (see § 182.01-19) of motor carrier equipment such as miscellaneous wheeled equipment used at terminals and loading platforms in connection with handling traffic, and also drive-away equipment and aeroplanes and pleasure boats used to entertain customers.

ITEMS

Blocks and falls.
Boats (pleasure).
Canvas covers (tarpaulins).
Carts.
Chain hoists.
Cranes (not installed on revenue vehicles).
Dollies (platform).
Fork trucks.
Hamper trucks.
Hand trucks.
Lift trucks.
Mechanical loading devices.
Pallets.
Platform trucks and tractors.
Rollers.
Ropes and cables.
Scales.
Signal equipment.
Signs (electric and portable).
Skidboards.
Tow bars, governors and brake controls (drive-away operations).
Weighing devices.

§ 182.1270 *Improvements to leasehold property.* (a) This account shall include, except as provided in paragraph (b) of this section, the cost to the carrier of initial improvements (including rearrangements, additions, and betterments) to property used in its motor carrier operations and held under lease or through control of the carrier owning the property, and the cost of any subsequent additions to and betterments of such leased or controlled property but not including replacements. Depreciation on such improvements shall be accounted for in the same manner as for other owned depreciable property. (See § 182.01-23 (c).)

(b) When the cost of alterations to leased property used in motor carrier operations otherwise chargeable to this account is not in excess of \$50.00 or the period of the lease is less than one year, the cost may be charged to the accounts chargeable with the cost of repairs to such property. (See § 182.01-19 (c).)

NOTE: If the lease agreement provides that structures or other improvements placed on leased property by the lessee shall remain the property of said lessee and may be removed at the expiration of the lease, the investment in such improvements and depreciation accruals thereon shall be transferred to other appropriate accounts at that time.

§ 182.1280 *Undistributed property.* (a) When a carrier purchases or sells any property constituting a distinct operating unit (see paragraph (v) of § 182.00-1) or otherwise finds it necessary because of incomplete financial records to make a general readjustment of operating property records, temporary charges or credits to this account may be made with approval of the Commission, and the distribution of the amounts involved shall be made promptly to the appropriate accounts after authorization by the Commission.

(b) Balances in accounts previously carried representing property owned as of the date this system of accounts is adopted may be carried temporarily in this account. Journal entries distributing such balances to the appropriate property accounts prescribed herein shall be made and filed with the Commission not later than one year after adoption of this system of accounts.

§ 182.1290 *Unfinished construction.* (a) This account shall include the cost of carrier operating property under construction but not ready for service. It shall include all elements of cost as set forth in § 182.01-19.

(b) When the construction of property has been completed, the amount representing its cost, accumulated in this account, shall be transferred to the appropriate other subdivision of account 1200.

NOTE: This account is primarily intended to include only charges for new construction not involving any replacement. If, however, at the beginning of a job involving the replacement or retirement of any operating property, the accounting carrier makes full credits therefor to the appropriate property accounts, the cost of rebuilding property or of installing new property in substitution or replacement, may be carried in this account pending completion of the work. (See also § 182.01-19 (b) and account 1890—Other Deferred Debits.)

§ 182.1300 *Carrier operating property leased to others.* (a) This account shall include the cost (see § 182.01-19) of carrier operating property owned by the carrier but leased to others as part of a distinct operating unit (see paragraph (v) of § 182.00-1) or system for use in motor carrier operations, where the lessee has exclusive possession.

(b) This account shall be subdivided so as to reflect separately the investment in each class of property as provided for under account 1200—Carrier Operating Property.

NOTE: Carrier operating property included in the temporary lease of a distinct operating unit pending sale shall not be transferred to account 1300.

§ 182.1400 *Non-carrier property.* This account shall include the book cost of land, structures and equipment owned by the carrier but used in operations other than motor carrier operations, and not provided for in account 1200—Carrier Operating Property, and account 1300—Carrier Operating Property Leased to Others.

Intangible Property

§ 182.1500 *Organization, franchises and permits.* This account shall include the balance of the amounts included in accounts 1501 to 1541, inclusive.

§ 182.1501 *Organization.* This account shall include fees paid to state or other governmental authority for the privilege of incorporation, and expenditures incident to organizing the corporation, partnership, or other enterprise, and putting it into readiness to do business.

ITEMS

Fees and expenses for incorporation or forming a partnership.

Fees and expenses for mergers or consolidations.

Office expenses incident to organizing the company.

Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance or sale of stock. (See §§ 182.01-16 and 182.01-17 and accounts 1900—Discount on Capital

Stock, and 1910—Commission and Expense on Capital Stock.)

NOTE B: Exclude from this account, and include in account 4630—Law Expenses, the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: When charges are made to this account for organization expenses incurred in mergers, consolidations, acquisitions or reorganizations, amounts previously included herein on the books of the retiring companies shall not be carried over. If such items represent part of the assets acquired, they shall be included in account 1550—Other Intangible Property. (See § 182.01-19 (f).)

§ 182.1511 *Franchises.* (a) This account shall include amounts actually paid to a state or political subdivision thereof or to other governmental authority in consideration of franchises, permits, consents, or certificates running in perpetuity or for a specified term of more than one year.

(b) This account shall also be charged with expenditures incident to applications for franchises, permits, consents, or certificates if such applications are acted upon favorably by the regulatory body, including fees for legal and auditing services, expenses of witnesses, cost of newspaper and other advertisements, etc., and pay and expenses of employees engaged in preparing exhibits and other data for hearings. (See Note B.)

(c) When a franchise, permit, consent or certificate is acquired by assignment, the charge to this account shall not exceed its actual cost to the original holder thereof as set out in paragraphs (a) and (b) of this section. Payments by the acquiring carrier in excess of the cost to the original holder, together with any expenses incurred by it in effecting the transfer, shall be charged to account 1550—Other Intangible Property. (See however § 182.01-19 (f).)

(d) Accounting for the amortization or write-off of balances carried in this account and for retirement of franchises, permits, consents or certificates that have expired and are not immediately renewed, are sold, or otherwise disposed of, shall be performed as provided in § 182.01-21 (b).

(e) This account shall be subdivided to reflect separately amounts pertaining to:

- (1) Perpetual franchises.
- (2) Fixed-term franchises.

NOTE A: Regularly recurring payments made to any political subdivision for the right to conduct motor carrier operations within its boundaries shall be charged to account 5200—Operating Taxes and Licenses.

NOTE B: If an application for a franchise, permit, consent or certificate is denied, expenditures incident to the application shall be charged to account 8200—Extraordinary Income Charges.

§ 182.1541 *Patents.* (a) This account shall include the cost (see § 182.01-19) of patent rights, licenses, and privileges necessary or valuable to the economical conduct of motor carrier or noncarrier operations, and which have a life of more than one year from the date they become effective.

(b) When any right or license included herein expires or is cancelled and is not

immediately renewed, is sold, or otherwise disposed of, retirement accounting shall be performed as provided in § 182.01-21 (b).

§ 182.1550 *Other intangible property.*

(a) This account shall include any intangibles not provided for elsewhere, including the undistributed portions of the purchase cost of a transportation system or portion thereof, constituting a distinct operating unit (see paragraph (v) of § 182.00-1) not includible in specific accounts provided for assets acquired or liabilities assumed. (See § 182.01-19 (f).)

(b) Accounting for the amortization or write-off of balances carried in this account and for the retirement of franchises, permits, consents or certificates that are sold, relinquished or otherwise disposed of, shall be performed as provided in §§ 182.01-21 and 182.01-23.

Investment Securities and Advances

§ 182.1600 *Investments and advances; affiliated companies.* (a) This account shall include the book cost (see paragraph (g) of § 182.00-1) of the carrier's investments in securities issued or assumed by affiliated companies; notes of affiliated companies maturing later than one year from date of issue; and the amount of advances to and receivables from affiliated companies not subject to current settlement, including accrued interest on such advances when not subject to current settlement. Exclude from this account securities held in special funds or as temporary cash investments. (See paragraph (f) of § 182.00-1, account 1060—Temporary Cash Investments, and § 182.01-18.)

(b) This account shall be subdivided to reflect separately for motor carriers and for others:

- (1) Common stocks.
- (2) Preferred stocks.
- (3) Bonds.
- (4) Notes.
- (5) Other investments.
- (6) Advances.

NOTE A: Balances in open accounts with affiliated companies which are subject to current settlement shall be included in account 1100—Receivables from Affiliated Companies.

NOTE B: Securities pledged shall be shown separately from securities unpledged.

NOTE C: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

§ 182.1650 *Other investments and advances.* (a) This account shall include the book cost (see paragraph (g) of § 182.00-1) of the carrier's investments in securities issued or assumed by other than affiliated companies; notes of other companies and persons, maturing later than one year from date of issue; the cash surrender values of insurance policies carried on the lives of officers and employees when the carrier is beneficiary of such policies (see account 7500—Other Deductions) advances to other companies and individuals and open accounts receivable not subject to current settlement, including any accrued interest when not subject to current settlement. (See account 1060—Temporary Cash Investments, and § 182.01-18.)

(b) This account shall be subdivided to reflect separately for motor carriers and for others:

- (1) Common stocks.
- (2) Preferred stocks.
- (3) Bonds.
- (4) Notes.
- (5) Other investments.
- (6) Advances.

NOTE A: Balances in open accounts with other companies and individuals which are subject to current settlement shall be included in accounts receivable.

NOTE B: Profits and losses resulting from the sale of securities of others shall be included in accounts 8100—Extraordinary Income Credits, and 8200—Extraordinary Income Charges, as appropriate.

NOTE C: Securities pledged shall be shown separately from securities unpledged.

NOTE D: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

Special Funds

§ 182.1701 *Sinking funds.* (a) This account shall include the amount of cash or other assets held by trustees or fiscal agents in charge of sinking funds, or by the carrier itself when they are segregated in a distinct fund, for the purpose of redeeming outstanding obligations. (See § 182.01-18.)

ITEMS

Cash.
Securities of other companies or other assets, at cost except as otherwise provided herein.

Live securities, issued or assumed by the carrier, at face value. (For conditions under which such securities may be kept alive, see § 182.01-16 (d).)

Amounts deposited with trustees or other fiscal agents on account of mortgaged property sold, when held for the redemption of securities.

Securities of the carrier issued to trustees without intervening sale, at face value.

(b) A separate subdivision shall be kept for each fund, the title of which shall designate the obligation in support of which the fund was created.

NOTE: Interest and dividends on securities held in this account shall be credited to account 6300—Interest Income, and 6400—Dividend Income, as appropriate.

§ 182.1751 *Depreciation funds.* This account shall include the amount of cash and the cost (see § 182.01-18) of securities of other companies and other assets which have been specifically set aside to provide a fund for the replacement of units of depreciable property.

§ 182.1781 *Miscellaneous special funds.* This account shall include the amount of cash and the cost (see § 182.01-18) of securities of other companies and other assets in insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for purposes not provided for elsewhere, including deposits with state commissions to guarantee continuing payments to the beneficiaries of workmen's compensation claims, and the face value of securities issued or assumed by the carrier which may be held alive in such funds as provided in §§ 182.01-16 and 182.01-17. Also include in this account deposits in lieu of mortgaged property sold and other trust deposits, pending their refund when equivalent

property is acquired or pending their transfer under mortgage provisions to account 1701—Sinking Funds. A separate subdivision shall be provided for each fund.

Deferred Debits

§ 182.1800 *Prepayments.* (a) This account shall include the amounts of expenses paid or incurred in advance of their accrual, the benefits of which are to be realized in subsequent periods. Entries shall be made each month, transferring to the appropriate expense or other account the portion of each prepayment which is applicable to that month.

(b) This account shall be subdivided as follows:

1810—Prepaid Taxes and Licenses.

1820—Prepaid Insurance.

1830—Prepaid Interest.

1840—Prepaid Rents.

1850—Prepaid Stationery and Printed Matter.

1860—Prepaid Tires and Tubes. (See account 4160—Tires and Tubes—Revenue Equipment.)

1870—Miscellaneous Prepayments.

NOTE A: The cost of tires and tubes for revenue equipment, including taxes, may either be charged to this account at the time of original application to vehicles, or direct to account 4160—Tires and Tubes—Revenue Equipment. The value of tires and tubes furnished by the vendor with newly acquired revenue equipment may also be charged to this account. A prorated portion of the cost of tires and tubes charged to this account, based on mileage or other equitable method of apportionment shall be transferred from this account each month to account 4160—Tires and Tubes—Revenue Equipment.

NOTE B: The undistributed service value, included in this account, of tires and tubes that are sold, destroyed or otherwise disposed of by the carrier shall be credited to this account.

NOTE C: Prepayments of minor items applicable to the current year may be charged directly to the appropriate operations and maintenance expense or other accounts.

§ 182.1880 *Unamortized debt discount and expense.* This account shall include the total of the net debit balances representing the excess of the discount and expense over the premium in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of such obligations. (See § 182.01-17.)

§ 182.1890 *Other deferred debits.* (a) This account shall include all debit balances in suspense accounts that cannot be entirely cleared and disposed of until further information is received; also items of a deferred nature (except items chargeable to account 1800—Prepayments, or account 1880—Unamortized Debt Discount and Expense) which are subsequently to be amortized to the appropriate operation and maintenance expense or other accounts. This includes amounts on deposit with banks which have failed, pending determination of loss; deposits made on equipment purchases; amounts paid for options pending final disposition; expenditures for plans and investigations made for determining

the feasibility of projects under contemplation, pending further disposition, deposits, in escrow or otherwise, with regulatory commissions and others, and expenditures for valuations, inventories, and appraisals made in connection with applications for or the contemplated purchase or sale of operating rights and other property. (See § 182.01-19.) If deposits are not recoverable or projects in connection with which preliminary costs were incurred are abandoned, the amounts expended shall be charged to account 8200—Extraordinary Income Charges.

(b) This account may also include losses in service value of property retired for causes for which provision has not been made in the depreciation reserve and losses from retirements which could not reasonably have been foreseen and provided for. (See account 5155—Extraordinary Property Losses.)

(c) This account shall also include other debit items which are subject to amortization by order of the Commission.

(d) This account shall also include the balances in clearing accounts maintained to facilitate the retirement of property (see § 182.01-21 (a)), carry temporarily the cost of operating and maintaining such facilities as office buildings, storehouses, etc., and such overhead costs as it is desirable to apportion to the construction, operating, and other accounts involved. (See § 182.01-10.)

(e) Items of a current nature but of doubtful value may be carried in this account at book cost or nominal value. (See § 182.01-13.)

Miscellaneous Debit Items

§ 182.1900 *Discount on capital stock.* This account shall include the excess of the par or stated value of the stock issued (at the time of original sale of par value stock and nonpar stock with a stated value) plus accrued dividends, if any, over the actual cash value of the consideration received. (See § 182.01-16.)

NOTE: No discount shall be recorded in this account in connection with the exchange of capital stock for items that are includible in account 1550—Other Intangible Property.

§ 182.1910 *Commission and expense on capital stock.* This account shall include all expenses incurred in connection with the issuance and sale of capital stock. (See § 182.01-16.)

ITEMS

Fees and expenses incurred in obtaining permission from regulatory bodies for the issuance of stock and in filing papers of notification thereunder.

Fees paid to promoters.

Listing stock on exchanges.

Preparation and distribution of prospectuses.

Preparation and issuance of certificates of stock.

Soliciting subscriptions for stock, including fees, commissions, advertising and printing.

Taxes paid on stock issues.

§ 182.1920 *Reacquired securities.* This account shall include in subdivisions for each class, the par, stated or proportionate value of capital stock, and the face value of bonds, and other forms of securities which have been actually issued or assumed by the carrier, and reacquired

and are neither retired nor properly includible in sinking or other funds.

NOTE A: The accounting for the reacquisition of securities and resales thereof shall be in accordance with §§ 182.01-16 and 182.01-17.

NOTE B: This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE C: In reports to the Commission the balance in this account shall be deducted from the securities accounts on the liability side, thereby extending into the money column the amounts to reflect the actually outstanding securities.

§ 182.1990 *Nominally issued securities.* (a) This account shall include in subdivisions for each class, the face, par or stated value of capital stock, bonds, and other forms of securities which have been nominally but not actually issued by the carrier. (See paragraphs (b) and (bb) of § 182.00-1.)

(b) When nonpar stock without stated value is nominally issued, a memorandum entry shall be made to this account showing the number of shares thus issued.

NOTE A: This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE B: In reports to the Commission, the balance in this account shall be deducted from the securities accounts on the liability side, thereby extending into the money column the amounts to reflect the actually outstanding securities.

LIABILITY SIDE

Current Liabilities

§ 182.2000 *Notes payable.* (a) This account shall include the face value of outstanding obligations in the form of notes, drafts, acceptances, and similar evidences of indebtedness which by their terms do not run for a period in excess of one year from date of issue, including the face value of notes receivable discounted or sold without releasing the carrier from liability as endorser thereon.

(b) Subdivisions shall be maintained to show separately obligations maturing upon demand and obligations bearing a specified date of maturity.

NOTE A: Notes payable to affiliated companies which are subject to current settlement shall be included in account 2030—Payables to Affiliated Companies. (See also account 2200—Advances Payable—Affiliated Companies.)

NOTE B: Unmatured equipment obligations irrespective of maturity shall be included in account 2300—Equipment Obligations.

§ 182.2020 *Matured long-term obligations.* This account shall include the amount (including obligations for premiums) of equipment obligations, long-term obligations and receivers' certificates matured and unpaid without any specific agreement for extension of maturity, including unrepresented bonds called for redemption.

§ 182.2030 *Payables to affiliated companies.* (a) This account shall include the total of amounts payable to affiliated companies (see paragraph (f) of § 182.00-1) which are subject to current settlement (see paragraph (p) of § 182.00-1) such as credit balances in open accounts for services rendered, material furnished, interline account balances, claims, rent for use of property and similar items; interest and dividends

payable to affiliated companies; and loans, notes and drafts which are payable to affiliated companies.

(b) This account shall be subdivided as follows:

2031—Loans and Notes Payable.

2035—Interest and Dividends Payable.

2039—Accounts Payable.

NOTE A: On the balance sheet accounts payable to affiliated companies shall be set off against accounts receivable from the same companies.

NOTE B: No amount representing dividends payable shall be included in this account unless they have been declared or guaranteed.

NOTE C: Items which are not subject to current settlement shall be included in account 2200—Advances Payable—Affiliated Companies.

§ 182.2050 *Accounts payable.* (a) This account shall include amounts payable to others (except affiliated companies) that are subject to current settlement, for materials and supplies and services received, including rents payable for the use of revenue vehicles and other property; other matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and employees, personal injury and property damage claims, the carrier's liability for transportation taxes and sales taxes collected from customers, for deductions from employees' wages for social security and income taxes, and other similar items.

(b) This account shall also include the balances due other carriers (except affiliated companies) in favor of each of which there is a net credit balance representing interline accounts.

(c) This account shall be subdivided as follows:

2051—Accounts Payable—Officers, Stockholders and Employees.

2055—Interline Account Balances.

2059—Accounts Payable—Others.

NOTE: Accounts with other carriers representing interline accounts which contain net debit balances shall be included in account 1120—Accounts Receivable—Agents, Customers and Interline.

§ 182.2070 *Wages payable.* This account shall include the amount of wages payable or accrued pay rolls. Unclaimed wages shall be transferred to account 2190—Other Current Liabilities. (See § 182.01-14.)

§ 182.2090 *C. o. d.'s unremitted.* (a) This account shall be credited with amounts of c. o. d.'s collected from consignees for shippers on freight delivered.

(b) This account shall be charged when remittances of amounts of c. o. d.'s are made to shippers.

NOTE A: Checks made payable to the shipper received in payment of c. o. d. charges shall not be credited to this account. A memorandum record shall be kept.

NOTE B: Fees for handling c. o. d.'s shall be credited to the same account to which the transportation revenue is credited.

NOTE C: If desired, this account may be credited with amounts concurrently charged to accounts receivable, representing c. o. d.'s collectible by the carrier. Amounts of c. o. d.'s on interline shipments, collectible by other carriers shall not be entered in this account.

§ 182.2100 *Dividends declared.* (a) This account shall include the amount of

dividends declared but not paid on any issue of capital stock of the carrier. Dividends shall be credited to this account as of the day upon which they became a liability of the carrier.

(b) A separate subdivision shall be maintained for dividends on each class and series of stock.

NOTE: Dividends declared and payable to affiliated companies shall be included in account 2039—Payables to Affiliated Companies.

§ 182.2120 *Taxes accrued.* (a) This account shall be credited each month with the amount of taxes accrued during the month, with concurrent debits to the appropriate accounts for tax charges. Credits to this account that are based upon estimates shall be adjusted from time to time during the year so that the tax expense accounts may show as nearly as possible, the taxes applicable to each period. Payments of taxes for which accruals have been made shall be debited to this account. Amounts representing prepayment of taxes applicable to subsequent periods shall be included in account 1800—Prepayments.

(b) The records supporting entries to this account shall be kept so that the carrier can furnish information as to the basis for each tax accrual, the kinds of taxes paid, the amount of each and the accounts charged with the tax accruals.

NOTE A: The liability for income taxes of sole proprietors or members of a partnership shall not be included in this account.

NOTE B: The carrier's liability for social security and income taxes deducted from employees' wages for payment to taxing bodies shall be included in account 2059—Accounts Payable—Others.

NOTE C: The carrier's liability for Federal or State taxes on transportation charges collectible by motor carriers shall be included in account 2059—Accounts Payable—Others.

§ 182.2150 *Interest accrued.* (a) This account shall be credited each month with the amount of interest accrued during the month, but not paid monthly, with concurrent debits to the appropriate accounts for interest charges, on all indebtedness of the carrier except interest which is added to the principal. Payments of interest for which accruals have been made in this account shall be debited hereto.

(b) When interest matures without being paid, it shall be charged to this account and credited to account 2030—Payables to Affiliated Companies, or account 2160—Matured Interest, as appropriate. Payments to trustees or other agents of the holders of bonds or other securities, of the interest accrued thereon, which operate under the terms of the securities (or of mortgages supporting such securities) as a release of the carrier from further liability for such interest, shall be accounted for in the same manner as payments of interest made directly to bondholders.

NOTE: Interest accrued upon any judgment against the carrier shall be credited to the account to which such judgment stands credited.

§ 182.2160 *Matured interest.* This account shall include the amount of matured and unpaid interest on obligations of the accounting carrier whether the

cause of the failure to pay the interest is on the part of the creditor or for other reasons, except where such interest is added to the principal of the obligation.

NOTE: Interest payable to affiliated companies shall be included in account 2030—Payables to Affiliated Companies.

§ 182.2190 *Other current liabilities.* This account shall include all current and accrued liabilities not includible in any of the foregoing accounts. This includes unmatured rents accrued, estimated insurance premiums accrued, and unclaimed wages. (See § 182.01-14.)

Advances Payable

§ 182.2200 *Advances payable; affiliated companies.* (a) This account shall include the amount of unsecured obligations payable to affiliated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon, when such interest is not subject to current settlement. This account shall also include obligations that are payable on demand but which, by mutual agreement or understanding, will not be presented for payment within one year from date of issue.

(b) This account shall be subdivided so as to show for each creditor:

(1) Notes payable.

(2) Open accounts not subject to current settlement.

(3) Interest accrued on amounts included in this account when not subject to current settlement.

NOTE: Amounts of advances from affiliated companies, including open accounts, that are subject to current settlement such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in account 2030—Payables to Affiliated Companies.

§ 182.2250 *Other advances payable.* (a) This account shall include the amount of unsecured advances and other unsecured obligations payable to individuals and companies, other than affiliated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon when such interest is not subject to current settlement. This account shall also include obligations that are payable on demand but which, by mutual agreement, will not be presented for payment within one year from date of issue.

(b) This account shall be subdivided so as to show for each creditor:

(1) Notes payable (see account 2031)

(2) Open accounts not subject to current settlement.

(3) Interest accrued on amounts included in this account when not subject to current settlement.

NOTE: Amounts of advances subject to current settlement, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in account 2050—Accounts Payable.

Equipment and Other Long-Term Obligations

§ 182.2300 *Equipment obligations.* (a) This account shall include the face value of all unmatured short term and

long term obligations issued by the carrier and not retired or cancelled, for which units of revenue equipment and other automotive equipment have been pledged as security or are held under conditional sales contracts, such as equipment bonds, equipment notes and chattel mortgages; also the face value of equipment obligations issued by others, the payment of which has been assumed by the carrier; and of equipment obligations so issued or assumed, the maturity of which has been extended by specific agreement. (See Note A.)

(b) This account shall be kept so as to show the face value of equipment obligations (1) nominally issued, and (2) actually outstanding. (See paragraphs (c) and (bb) of § 182.00-1.)

(c) A separate subdivision shall be maintained for each class of equipment obligation and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A. Equipment obligations matured and unpaid without specific agreement for extension as to time of payment, including unrepresented equipment obligations called for redemption, shall be included in account 2020—Matured Long-Term Obligations.

NOTE B: On the balance sheet, obligations maturing within one year shall be shown separately from those maturing later than one year from the date of the balance sheet.

§ 182.2330 *Bonds.* (a) This account shall include the face value of unmatured bonds which have not been retired or canceled (except equipment bonds—see account 2300—Equipment Obligations) also the face value of such bonds issued by others, the payment of which has been assumed by the carrier.

(b) This account shall be kept so as to show the face value of bonds (1) nominally issued, and (2) actually outstanding. (See paragraphs (c) and (bb) of § 182.00-1.)

(c) A separate subdivision shall be maintained for each class and series of bonds, and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A. Bonds matured and unpaid without specific agreement for extension as to time of payment, including unrepresented bonds called for redemption, shall be included in account 2020—Matured Long-Term Obligations.

NOTE B: On the balance sheet, obligations maturing within one year shall be shown separately from those maturing later than one year from the date of the balance sheet.

§ 182.2360 *Other long-term obligations.* (a) This account shall include all long-term obligations not otherwise provided for. This covers such items, executed or assumed, as real estate mortgages; assessments for public improvements; serial notes payable over a period of more than one year; and other obligations maturing more than one year from date of issue.

(b) This account shall also include the face value of certificates of indebtedness issued upon the property of the carrier by receivers acting under the orders of a court.

NOTE A. Separate subdivisions shall be maintained for each class of obligation in-

cluded herein, and records shall be maintained to show separately for each issue all details as to date of issue, date of maturity, interest dates and rates, security for obligations, etc.

NOTE B: On the balance sheet, obligations maturing within one year shall be shown separately from those maturing later than one year from the date of the balance sheet.

NOTE C: Matured obligations which are unpaid shall be included in account 2020—Matured Long-Term Obligations.

Deferred Credits

§ 182.2400 *Unamortized premium on debt.* This account shall include the total of all credit balances representing the excess of the premium over the discount and expense in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of obligations. (See § 182.01-17 (d).)

§ 182.2450 *Other deferred credits.* This account shall include credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received, and other items of a deferred nature, (see § 182.01-10.) such as estimated liability for overcharge claims, deposits by owner-operators to cover their liability for loss and damage claims, anticipated liability for retroactive wages pending the result of negotiations, and deposits by tenants representing rent for final month of leases.

Reserves

§ 182.2500 *Reserve for depreciation, carrier operating property.* (a) This account shall be credited with the following:

(1) Amounts charged each month to account 5000—Depreciation Expense, or other accounts for currently accruing depreciation (see paragraph (t) of § 182.00-1) of carrier operating property as provided in § 182.01-23.

(2) Amounts which the carrier may charge to account 8600—Delayed Income Charges, or transfer to this account for depreciation accrued but not provided for prior to the adoption of this system of accounts.

(3) The amount of depreciation accrued by vendor or predecessor companies to date of transfer applicable to carrier operating property acquired as part of a distinct operating unit or transportation system, as provided in § 182.01-19 (f)

(4) The amount of depreciation accrued to date of transfer, applicable to property transferred from account 1400—Non-Carrier Property, to account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others.

(b) Charges to this account in connection with carrier operating property retired shall be made in accordance with § 182.01-21. This account shall also be charged with the amount of depreciation accrued to date of transfer applicable to property transferred from accounts 1200—Carrier Operating Property, or 1300—Carrier Operating Property Leased to Others, to account 1400.

(c) This account shall be subdivided as follows:

- 2510—Reserve for Depreciation—Structures.
- 2520—Reserve for Depreciation—Revenue Equipment.
- 2530—Reserve for Depreciation—Service Cars and Equipment.
- 2540—Reserve for Depreciation—Shop and Garage Equipment.
- 2550—Reserve for Depreciation—Furniture and Office Equipment.
- 2560—Reserve for Depreciation—Miscellaneous Equipment.
- 2570—Reserve for Depreciation—Improvements to Leasehold Property.
- 2580—Reserve for Depreciation—Undistributed Property.
- 2590—Reserve for Depreciation—Carrier Operating Property Leased to Others.

§ 182.2600 *Reserve for amortization; carrier operating property.* (a) This account shall be credited with amounts charged to account 5151—Amortization of Carrier Operating Property, or other appropriate account, for amortization of the cost of acquiring leaseholds, franchises, consents, privileges, patents, and other intangible property having a fixed term life. This account shall also be credited with amounts charged to account 7500—Other Deductions, for the amortization of cost of acquiring perpetual leaseholds and of intangible property, which does not have a fixed term life.

(b) When any leasehold, franchise, permit, consent, privilege or patent expires, is sold or relinquished, or is otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect of such property, and retirement accounting shall be performed as provided in § 182.01-21 (b).

(c) This account shall be credited with such amounts as are necessary to reflect, as of the date this system of accounts is adopted, the expired portion of the life of franchises, permits, consents, patent rights, leaseholds, easements, other interest in land, or other intangible property which has a fixed term life, the cost of which is included in operating property accounts 1200 and 1300 and intangible property accounts 1500 and 1550. To the extent that provision has not previously been made the amounts credited to this reserve shall be concurrently debited to account 8600—Delayed Income Charges.

(d) This account shall be maintained in such manner as to show the amount of each separate reserve set out below and the nature of and amounts of debits and credits thereto.

(1) Reserves for amortization; leaseholds.

(2) Reserves for amortization; franchises, permits and patents having a fixed term life.

(3) Reserves for amortization; other intangible property.

NOTE: This account shall be credited with amounts representing items of intangible property written off to the proprietorship account or to account 2948—Other Debits to Earned Surplus. (See § 182.01-23 (d).)

§ 182.2610 *Reserve for depreciation and amortization; other property.* This account shall include amounts provided for depreciation and amortization of

properties carried in account 1400—Non-Carrier Property.

§ 182.2630 *Reserve for adjustments; investments and advances.* (a) This account shall be credited with amounts charged to the proprietorship account, account 2946—Other Appropriations of Earned Surplus, or to account 8200—Extraordinary Income Charges, as appropriate, to provide a reserve for adjustments in the value of investment securities included in account 1600—Investments and Advances—Affiliated Companies, and account 1650—Other Investments and Advances. (See § 182.01-18 (b).)

(b) This account shall be subdivided to reflect:

(1) Reserves for securities of affiliated companies

(2) Reserves for securities of others

NOTE: In stating the balance sheet these reserves shall be deducted from the specific assets to which they apply.

§ 182.2650 *Reserve for uncollectible accounts.* This account shall be credited each month with amounts reserved for receivables which may become uncollectible, and shall be maintained in such manner as to show the amount of each separate reserve set out below and the amounts of debits and credits thereto:

(a) Reserve for receivables representing carrier operating revenue. Credits to this subdivision shall be concurrently charged to account 4660—Uncollectible Revenues.

(b) Reserve for receivables applicable to revenue from non-carrier operations and property. Credits to this reserve shall be concurrently charged to account 6100—Income from Non-Carrier Operations—Net.

(c) Reserve for uncollectible receivables other than revenues. Credits to this reserve shall be concurrently charged to account 7500—Other Deductions.

§ 182.2660 *Insurance reserves.* (a) This account shall be credited with amounts charged to account 4560—Fire, Theft and Collision, account 4570—Other Insurance Expense, or other appropriate accounts to provide reserves for losses through collision, accident, fire, theft, flood, or other hazards to the carrier's own property or to property leased from others, that are not covered by commercial insurance. (See § 182.01-22 (b) (c) and (f).)

(b) If carrier operating property is destroyed or so badly damaged as to require retirement, and provision has been made in this account for such risks, it shall be charged with the amount of the loss not covered by commercial insurance and additional retirement accounting shall be performed as set out in § 182.01-21 (a).

(c) This account shall be maintained in such manner as to show the amount of each separate reserve and the nature of and amounts of debits and credits thereto.

§ 182.2680 *Injuries, loss and damage reserves.* (a) This account shall be credited with accounts charged to accounts 4530—Public Liability and Prop-

erty Damage, 4540—Workmen's Compensation, 4550—Cargo Loss and Damage, or other appropriate accounts to provide reserves against claims for deaths of or injuries to employees and others; for damages to property not owned or held under lease by the carrier; and for loss, destruction, damage, or delays to property entrusted to the carrier for transportation or storage, that are not covered by commercial insurance. (See § 182.01-22 (c).)

(b) This account shall be charged with payments of claims for injuries to persons and damage to property of others which are not recoverable from insurance companies or others. (See, however, § 182.01-22 (a) and (d).)

(c) This account shall be maintained in such manner as to show the amount of each separate reserve set out below and the nature of and amounts of debits and credits thereto.

(1) Reserve for personal injuries and property damage claims.

(2) Reserve for workmen's compensation claims.

(3) Reserve for cargo loss and damage claims.

§ 182.2690 *Other reserves.* (a) This account shall include amounts reserved by the carrier for purposes which are not provided for in any of the preceding reserves. There shall be reported hereunder such accounts as sinking fund reserves, contingency reserves and other reserves created by charges to income or surplus.

(b) This account shall be maintained in such manner as to show the amount of each separate reserve and the nature of and amounts of debits and credits thereto.

Capital Stock:

§ 182.2700 *Preferred capital stock.*

§ 182.2710 *Common capital stock.* (a) These accounts shall include the par value of stocks with par value; the stated value of nonpar stocks having a stated value; and the cash value of the consideration received, including assessments, or the amount approved by the Commission, for nonpar stocks without stated value, which have been issued to bona fide purchasers and have not been reacquired and cancelled; also shares of stock nominally issued (see paragraph (bb) of § 182.00-1) and reacquired shares which have not been cancelled. The cash consideration received from the sale of par value stock and of nonpar stock having a stated value in excess of the amount credited to this account, shall be credited to account 2720—Premiums and Assessments on Capital Stock. (See § 182.01-16.)

(b) Separate accounts shall be provided for each class of stock, and the title of each account shall clearly identify the class of stock covered. Issues of stock shall not be considered as of the same class unless identical in all provisions, nor shall there be carried any undivided item in respect of more than one class of stock.

(c) When stock is issued for cash, that fact shall be stated; if for any consideration other than cash, the person to whom it is issued shall be designated

and the consideration for which it is issued shall be described with sufficient particularity to identify it. If such issuance is to the treasurer or other agent of the corporation for purpose of sale, that fact and the name of such agent shall be shown; and the agent shall show like details concerning the consideration realized therefor in his account of the disposition thereof, which when accepted by the corporation, shall be preserved as a corporate record.

(d) When capital stock is reacquired and cancelled (see § 182.01-16) these accounts shall be charged with the amount at which such stock is carried herein. In the case of nonpar stock without stated value, the amount charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the class and series of stock of which the reacquired shares are a part.

NOTE A: For each class of stock the records shall show the number of shares nominally issued and actually outstanding. (See paragraphs (c) and (bb) of § 182.00-1.) When nonpar stock without stated value is nominally issued a memorandum entry shall be made showing only the number of shares so issued.

NOTE B: When nonpar stock without stated value is issued in exchange for par stock, or nonpar stock with stated value, amounts included in account 2720—Premiums and Assessments on Capital Stock, for the retired stock, shall be transferred to the capital stock account as part of the consideration received for the nonpar stock.

NOTE C: No entries recording changes in the amounts reflected in the carrier's books for capital stock which has been nominally or actually issued shall be made without first submitting the plan of accounting to the Commission for approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded were determined. Entries recording the following changes require approval of the Commission.

(1) Changes in the par or stated value of stock with par or stated value.

(2) Changes in the value of nonpar stock without stated value through the transfer of earned or unearned surplus to the capital stock accounts, and debits to the unearned surplus account resulting from the issuance of stock dividends.

(3) Reduction of the amounts recorded in the capital stock accounts to create surplus or reduce the book value of assets.

§ 182.2720 Premiums and assessments on capital stock. (a) This account shall include the excess of the actual cash value of the consideration received (at the time of original sale of par value stock and nonpar stock with a stated value) over the par or stated value of the stock issued, plus accrued dividends, if any, and subsequent assessments against stockholders representing payments required in excess of par or stated value. (See § 182.01-16 (c).)

(b) In case the carrier is permitted by statute and elects, with the approval of the Commission, to distribute all or any part of the net balance of premiums and assessments on capital stock to its stockholders in the form of dividends, the amount thus distributed shall be charged to this account. In no event shall dividends be paid out of premiums

and assessments on capital stock without prior approval of the Commission.

(c) Separate subdivisions shall be maintained for premiums and for assessments on each class and series of stock.

(d) When capital stock is reacquired the amount in this account with respect to the shares reacquired shall be debited hereto in accordance with § 182.01-16 (d)

NOTE: No premium shall be recorded in this account in connection with the exchange of capital stock for items that are includible in account 1550—Other Intangible Property.

§ 182.2730 Capital stock subscribed. This account shall include the amount of legally enforceable subscriptions to capital stock of the carrier. It shall be credited with the par or stated value, or with the subscription price in the case of stock without par or stated value, exclusive of accrued dividends, if any. Concurrently a debit shall be made to account 1140—Subscribers to Capital Stock, for the agreed purchase price and any discount or premium debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the stocks subscribed, this account shall be debited and the appropriate capital stock account credited with the par or stated value of the stock, (or the consideration received in the case of non-par stock without a stated value)

Non-Corporate Capital

§ 182.2800 Sole proprietorship capital. This account shall include the investment of a sole proprietor in an unincorporated carrier and shall be charged with all withdrawals from the business by the proprietor other than amounts representing salary. (See Note A.) At the end of each calendar year the net income or loss for the year as reflected by the income statement shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through the subdivisions of account 2930—Earned Surplus. (See optional accounting procedure provided in Note B hereunder.)

NOTE A: Amounts designated as salary of the proprietor, representing fair and reasonable compensation for services performed, shall be charged to 4611—Salaries—General Officers, or other appropriate account.

NOTE B: This account may be restricted to the amount considered by the proprietor to be his permanent investment in the business, subject to change only by additional investment on his part or the withdrawal of portions thereof. When this option is taken withdrawals of profits shall be charged to account 2948—Other Debits to Earned Surplus, and the earned surplus accounts shall otherwise be employed as provided in the texts of those accounts.

NOTE C: Income taxes of the proprietor if paid from funds of the carrier shall be charged to this account. (See Note under account 8800—Income Taxes.)

§ 182.2810 Partnership capital. This account shall be credited, where the business is conducted by an unincorporated firm, co-partnership or under any style other than that of an incorporated company or sole proprietorship, with the respective amounts paid into the business by the partners therein, and shall be

charged with all withdrawals from the business by each partner other than amounts representing salary. (See Note A.) At the end of each calendar year the net income or loss for the year as reflected by the income statement shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through the subdivisions of account 2930—Earned Surplus. (See optional accounting procedure provided in Note C hereunder.)

NOTE A: Amounts designated as salaries of the partners representing fair and reasonable compensation for services performed, shall be charged to account 4611—Salaries—General Officers, or other appropriate accounts.

NOTE B: Separate accounts shall be kept to show the net equity of each member of the co-partnership and the transactions affecting the interest of each such partner. The total of the balances in such accounts shall be shown as one amount in the balance sheet.

NOTE C: This account may be restricted to the amounts considered by the members of the co-partnership to be their permanent investments in the business, subject to change only by additional investments by the co-partners or the withdrawal of portions thereof. When this option is taken withdrawals of profits shall be charged to account 2948—Other Debits to Earned Surplus, and the earned surplus accounts shall be otherwise employed as provided in the texts of those accounts.

NOTE D: Personal income taxes of the partners, if paid from partnership funds, shall be charged to this account. (See Note under account 8800—Income Taxes.)

Unappropriated Surplus

§ 182.2900 Unearned surplus. (a) This account shall include all surplus not classified as earned surplus. It shall include such items as surplus arising from donations by stockholders of cash and other assets or of the carrier's capital stock; surplus arising from the forgiveness of debt of the carrier by its stockholders; surplus recorded upon the reorganization or recapitalization of the carrier; net credits resulting from acquisition or resale of the carrier's capital stock (see § 182.01-16) and amounts that become the property of the carrier as a result of the forfeiture by others of deposits on subscriptions to capital stock and installment plan payments on purchases of stock.

The following credit items may be included in this account only when approved by the Commission: (1) Surplus resulting from the reduction of the par value, stated value or recorded value of the carrier's capital stock, and (2) Surplus resulting from the revaluation of tangible property or intangible property.

(b) (1) This account shall be charged with net debits resulting from the acquisition or resale of the carrier's capital stock (see § 182.01-16 (d) and (e)), and it may be charged with amortization of discount and expense on capital stock; *Provided, however,* That the excess of a debit over the balance carried in this account with respect to the particular class of stock shall be charged to account 2948—Other Debits to Earned Surplus.

(2) The following items may be charged to this account only when approved by the Commission: (1) amounts

credited to the capital stock account resulting from the issuance of stock dividends, or to increase the value of nonpar stock without stated value, and (ii) amounts transferred to earned surplus, either directly by credits to earned surplus representing gains on transactions in the carrier's own capital stock, or indirectly by charges against unearned surplus representing losses, write-downs, charge-offs, or the distribution of dividends.

(c) This account shall be subdivided to show each source of unearned surplus.

§ 182.2930 *Earned surplus.* (a) This account shall include the balance of the amounts included in accounts 2932 to 2948, inclusive, either debit or credit, of unappropriated surplus arising from earnings. It shall not include surplus properly includible in accounts 2800—Sole Proprietorship Capital, 2810—Partnership Capital, or 2900—Unearned Surplus.

(b) The balances of all earned surplus accounts (2932 to 2948, inclusive) shall be closed to this account at the end of each calendar year.

§ 182.2932 *Credit balance transferred from income.* If the income statement for the current calendar year reflects a net credit balance, it shall be brought forward to this account.

§ 182.2938 *Other credits to earned surplus.* (a) This account shall include the amounts of credits affecting the carrier's earned surplus or deficit and which are not provided for elsewhere.

(b) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

§ 182.2942 *Debit balance transferred from income.* If the income statement for the current calendar year reflects a net debit balance, it shall be brought forward to this account.

§ 182.2944 *Dividend appropriations.* (a) This account shall include amounts of dividends declared out of earned surplus on capital stock actually outstanding.

(b) This account shall be subdivided to show separately the dividends on each class of capital stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity that it may be identified.

NOTE: Dividend charges shall be restricted to actually outstanding stock and this account shall not include charges for dividends on capital stock issued by the carrier and owned by it, unless the stock is held by trustees in sinking or other funds. (See paragraph (c) of §§ 182.00-1 and 182.01-16 (d).)

§ 182.2946 *Other appropriations of earned surplus.* This account shall include appropriations from earned surplus for sinking funds and other reserves, and allotments of surplus or transfers of definite amounts from earned surplus to reserves under the terms of mortgages, deeds of trust, or contracts, and other appropriations of earned surplus set aside in special reserve accounts.

§ 182.2948 *Other debits to earned surplus.* (a) This account shall include the amounts of debits affecting the carrier's earned surplus or deficit and not provided for elsewhere.

(b) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

NOTE: Form of balance sheet statement. (The order in which the accounts are presented in this Form of Balance Sheet is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission.)

ASSET SIDE	
CURRENT ASSETS	
1600—Cash.....	\$.....
1620—Working funds.....	.....
1640—Special deposits.....	.....
1650—Temporary cash investments.....	.....
(a) Pledged.....	\$.....
(b) Unpledged.....	.....
1650—Notes receivable.....	\$.....
1100—Receivables from affiliated companies.....	.....
1120—Accounts receivable—Agents, customers, and Interline.....	.....
1130—Accounts receivable—Other.....	.....
Less: Reserve for uncollectible accounts.....	.....
1140—Subscribers to capital stock.....	.....
1160—Interest and dividends receivable.....	.....
1180—Material and supplies.....	.....
1190—Other current assets.....	.....
Total current assets.....	.....
TANGIBLE PROPERTY	
1200—Carrier operating property.....	.....
Less: Reserve for depreciation and amortization.....	.....
1200—Carrier operating property leased to others.....	.....
Less: Reserve for depreciation and amortization.....	.....
1400—Noncarrier property.....	.....
Less: Reserve for depreciation and amortization.....	.....
Total tangible property.....	.....
INTANGIBLE PROPERTY	
1500—Organization, franchises, and permits.....	.....
Less: Reserve for amortization.....	.....
1550—Other intangible property.....	.....
Less: Reserve for amortization.....	.....
Total intangible property.....	.....
INVESTMENT SECURITIES AND ADVANCES	
1600—Investments and advances—Affiliated companies.....	.....
(a) Pledged.....	\$.....
(b) Unpledged.....	.....
1650—Other investments and advances.....	.....
(a) Pledged.....	.....
(b) Unpledged.....	.....
Less: Reserve for adjustments.....	\$.....
Total investment securities and advances.....	.....
SPECIAL FUNDS	
1701—Sinking funds.....	.....
1731—Depreciation funds.....	.....
1781—Miscellaneous special funds.....	.....
Total special funds.....	.....
DEFERRED DEBITS	
1800—Prepayments.....	.....
1880—Unamortized debt discount and expense.....	.....
1890—Other deferred debits.....	.....
Total deferred debits.....	.....

MISCELLANEOUS DEBIT ITEMS	
1900—Discount on capital stock.....	.....
1910—Commission and expense on capital stock.....	.....
1920—Reacquired securities.....	.....
(a) Pledged.....	.....
(b) Unpledged.....	.....
1930—Nominally leased securities.....	.....
(a) Pledged.....	.....
(b) Unpledged.....	.....
Total miscellaneous debits.....	.....
Total assets.....	.....
Contingent assets (not included above) \$.....	.....
LIABILITY SIDE	
CURRENT LIABILITIES	
2000—Notes payable.....	\$.....
2020—Matured long-term obligations.....	.....
2040—Payables to affiliated companies.....	.....
2060—Accounts payable.....	.....
2080—Wages payable.....	.....
2100—C. O. D. billings.....	.....
2120—Dividend declared.....	.....
2130—Taxes accrued.....	.....
2150—Interest accrued.....	.....
2160—Matured interest.....	.....
2170—Other current liabilities.....	.....
Total current liabilities.....	.....
ADVANCES PAYABLE	
2200—Advances payable—Affiliated companies.....	.....
2250—Other advances payable.....	.....
Total advances payable.....	.....
EQUIPMENT AND OTHER LONG-TERM OBLIGATIONS	
2300—Equipment obligations.....	\$.....
Less: Reacquired and nominally issued.....	.....
(a) Due within one year.....	.....
(b) Not due within one year.....	.....
2320—Bonds.....	.....
Less: Reacquired and nominally issued.....	.....
(a) Due within one year.....	.....
(b) Not due within one year.....	.....
2330—Other long-term obligations.....	.....
Less: Reacquired and nominally issued.....	.....
(a) Due within one year.....	.....
(b) Not due within one year.....	.....
Total equipment and other long-term obligations.....	.....
DEFERRED CREDITS	
2400—Unamortized premium on debt.....	.....
2450—Other deferred credits.....	.....
Total deferred credits.....	.....
RESERVES	
2500—Insurance reserves.....	\$.....
2550—Injuries, loss, and damage reserves.....	.....
2570—Other reserves.....	.....
Total reserves.....	.....
CAPITAL STOCK	
2600—Preferred capital stock.....	\$.....
Less: reacquired and nominally issued.....	.....
2710—Common capital stock.....	.....
Less: reacquired and nominally issued.....	.....
2720—Premiums and amounts on capital stock.....	.....
2730—Capital stock subscribed.....	.....
Total capital stock.....	.....
NONCORPORATE CAPITAL	
2800—Sole proprietorship capital.....	.....
2810—Partnership capital.....	.....
Total non-corporate capital.....	.....
UNAPPROPRIATED SURPLUS	
2900—Unearned surplus.....	.....
2930—Earned surplus (debit in red).....	.....
Total unappropriated surplus.....	.....
Total liabilities.....	.....
Contingent liabilities (not included above) \$.....	.....

INCOME ACCOUNTS

OPERATING REVENUES

§ 182.3000 *Operating revenues.* This account shall include the total operating revenues, as provided in the primary operating revenue accounts, derived by the carrier from its motor carrier operations.

OPERATING REVENUE ACCOUNTS

- 3100—Freight Revenue—Intercity—Common Carrier.
- 3110—Freight Revenue—Intercity—Contract Carrier.
- 3120—Freight Revenue—Local Cartage.
- 3130—Intercity Transportation for other Class I Motor Carriers.
- 3900—Other Operating Revenue.

§ 182.3100 *Freight revenue; intercity; common carrier.* (a) This account shall include all revenue earned by the carrier from the transportation of property in intercity service, including pick-up and delivery incident thereto, while operating as a common carrier as defined in section 203 (a) (14) of the Interstate Commerce Act. This includes:

- (1) Revenue upon the basis of single line freight rates, including arbitraries and zone rates.
- (2) The carrier's proportion of revenue earned on interline shipments.
- (3) Revenue from the transportation of baggage, express, mail and newspapers in freight equipment.
- (4) Revenue from substitute intercity service performed for a carrier by railroad, air or water.
- (5) Revenue from furnishing line-haul vehicles with drivers to another motor carrier, except to a Class I carrier (see Note F) for performing any part of its intercity service.
- (6) Revenue from the intercity transportation of property in intrastate commerce if the service is similar to that of a common carrier as defined in section 203 (a) (14) of the Interstate Commerce Act.

(7) Revenue from reconsigning, stop and other transit privileges.

(8) Fees for handling c. o. d.'s and other collections of money from consignees in connection with freight shipments.

(9) Revenue from rigging and other accessorial services incident to the transportation of property by the carrier.

(b) This account shall be charged with:

(1) The carrier's proportion of overcharges resulting from the use of erroneous intercity rates, weights, classifications or computations.

(2) Uncollected earnings on intercity freight destroyed in transit and on short and lost freight.

(3) The carrier's proportion of uncollected intercity tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

NOTE A: When a common carrier employs vehicles and services of others on a commission or other basis for hauling loads over its routes in intercity service and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be charged to account 4271—Purchased Transportation—Intercity.

NOTE B: Amounts payable to others for pick-up and delivery and local transfer of the carrier's intercity freight under arrangements whereby the agreement for the amount payable is based on other than actual division of tariff rates shall be charged to account 4275—Purchased Pickup and Delivery.

NOTE C: Divisions of interline tariff charges due other carriers shall be included in account 2030—Payables to Affiliated Companies, or account 2050—Accounts Payable.

NOTE D: Revenue from the intercity transportation of property in intrastate commerce, if the service is similar to that of a contract carrier as defined in section 203 (a) (15) of the Interstate Commerce Act, shall be included in account 3110—Freight Revenue—Intercity—Contract Carrier.

NOTE E: Revenue from local transfer service and from pick-up and delivery service performed for another carrier shall be included in account 3120—Freight Revenue—Local Cartage.

NOTE F: Revenue from furnishing line-haul vehicles with drivers to another Class I motor carrier under a purchased transportation arrangement for performing any part of its intercity service, shall be included in account 3130—Intercity Transportation for Other Class I Motor Carriers.

NOTE G: Intercity service for the purpose of accounting and compiling statistical data means transportation performed beyond the limits defined for Local Service (see Note C to account 3120 for definition of Local Service).

NOTE H: Rigging and other accessorial services as used in Item 9 means loading, unloading and placing of shipments of unusual size or weight necessary to effect transportation of the shipment. Revenues and expenses incident to installation, erection or dismantling of machines, structures, etc., shall be included in account 6100—Income from Non-Carrier Operations—Net.

§ 182.3110 *Freight revenue; intercity; contract carrier.* (a) This account shall include all revenue earned by the carrier from the transportation of property in intercity service while operating as a contract carrier as defined in section 203 (a) (15) of the Interstate Commerce Act. This includes:

(1) Revenue on the basis of contracts or agreements for the transportation of property in intercity service.

(2) Revenue from furnishing line-haul vehicles with drivers to another motor carrier, except to a Class I carrier (see Note D) for performing any part of its intercity service.

(3) Revenue from the intercity transportation of property in intrastate commerce if the service is similar to that of a contract carrier as defined in section 203 (a) (15) of the Interstate Commerce Act.

(b) This account shall be charged with:

(1) Refunds of overcharges resulting from the use of erroneous intercity rates, weights, classifications or computations.

(2) Uncollected earnings on intercity freight destroyed in transit and on short and lost freight.

NOTE A. When a contract carrier employs vehicles and services of others on a commission or other basis for hauling loads over its routes in intercity service and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be charged to account 4271—Purchased Transportation—Intercity.

NOTE B: Revenue from the intercity transportation of property in intrastate commerce, if the service is similar to that of a common carrier as defined in section 203 (a) (14) of the Interstate Commerce Act, shall be included in account 3100—Freight Revenue—Intercity—Common Carrier.

NOTE C: Revenue from pickup and delivery and local transfer service performed for another carrier shall be included in account 3120—Freight Revenue—Local Cartage.

NOTE D: Revenue from furnishing line haul vehicles with drivers to another Class I motor carrier under a purchased transportation arrangement, for performing any part of its intercity service, shall be included in account 3130—Intercity Transportation for Other Class I Motor Carriers.

NOTE E: Intercity service for the purpose of accounting and compiling statistical data means transportation performed beyond the limits defined for Local Service (see Note C to account 3120 for definition of Local Service).

§ 182.3120 *Freight revenue; local cartage.* (a) This account shall include revenue earned by common or contract carriers from the transportation of property in local cartage service, such as:

(1) Revenue from pick-up and delivery and local transfer services performed for carriers by motor vehicle, railroad, air, water and express, and for freight forwarders.

(2) Revenue from other local transfer service.

(3) Fees for handling c. o. d.'s.

(b) This account shall be debited with overcharges resulting from the use of erroneous local rates, weights, classifications or computations and uncollected earnings on freight damaged or destroyed in transit, or short and lost freight.

NOTE A. Revenue earned by the carrier from pickup and delivery service incident to its transportation of property in intercity service shall be included in accounts 3100 and 3110, as appropriate.

NOTE B: When a carrier employs vehicles and services of others on a commission or other basis for hauling loads in its local cartage service, and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be charged to account 4275—Purchased Pickup and Delivery.

NOTE C: Local service, for the purpose of accounting and of compiling statistical data, means transportation performed within a city or town including the suburban area contiguous thereto.

§ 182.3130 *Intercity transportation for other Class I motor carriers.* This account shall include amounts receivable from other Class I motor carriers under a purchased transportation arrangement, for performing any portion of their intercity haul, such as:

(1) Revenue from furnishing a line-haul vehicle with services of driver to another Class I motor carrier under lease or similar arrangement.

(2) Revenue from transporting freight for another Class I motor carrier when such transportation is purchased by the other carrier to complete any portion of its intercity haul.

(3) Revenue from the transportation in intercity service of loaded or empty

trailers for another Class I motor carrier.

NOTE A: Revenue received from motor carriers, other than Class I motor carriers, for similar services shall be included in account 3100—Freight Revenue—Inter-city—Common Carrier, or account 3110—Freight Revenue—Inter-city—Contract Carrier, as appropriate.

NOTE B: Revenue received from the lease of vehicles to other carriers without the services of drivers shall be included in account 5350—Equipment Rents—Credit.

§ 182.3900 Other operating revenue. This account shall include revenues not provided for in accounts 3100 to 3130, inclusive, derived from the operation of property the investment in which is included in account 1200—Carrier Operating Property, such as:

- (a) Advertising matter displayed in or on structures and vehicles.
- (b) Commissions for brokerage service.
- (c) Commissions for making payroll deductions.
- (d) Commissions for collecting freight charges for other carriers.
- (e) Garnishment fees.
- (f) Lockers, weighing and vending machines and similar devices.
- (g) Privilege of operating lunch counters, news stands and soda fountains.
- (h) Privilege of installing and operating commercial and coin box telephones.
- (i) Operation of lunch rooms, restaurants, etc.
- (j) Profit on sales of material and supplies, and on shop work and services to others.
- (k) Parking and storage of vehicles.
- (l) Snow plow work.
- (m) Storage of freight in excess of free time provided in tariffs.
- (n) Other miscellaneous revenues incident to motor carrier operations.

OPERATION AND MAINTENANCE EXPENSES

§ 182.4000 Operation and maintenance expenses. This account shall include the total of operation and maintenance expenses, as provided in the primary accounts, incurred by the carrier in its motor carrier operations during the period covered by the income account.

§ 182.4100 Equipment maintenance.

§ 182.4110 Supervision. (a) This account shall include the salaries and bonuses of officers and other employees, such as superintendents and foremen (other than working foremen) engaged in supervising and directing the repairing and servicing of revenue equipment, service equipment and shop and garage property used in motor carrier operations.

(b) This account shall also include the pay and bonuses of inspectors, shop and garage clerks, timekeepers and other administrative employees of the equipment maintenance department.

§ 182.4120 Office and other expenses. This account shall include the cost of services and supplies and other expenses incurred in the administration of the equipment maintenance department.

ITEMS

Automobiles, maintenance and operation of.
Books.
Entertainment.
Hotels and meals.

Janitor service.
Postage.
Rents paid for use of typewriters and other office machines.
Stationery and printing.
Subscriptions to newspapers, clipping bureaus, periodicals, trade journals, etc.
Traveling expenses.

§ 182.4130 Repairs and servicing; revenue equipment. (a) This account shall include the wages of employees and the cost of parts, material, and supplies, used in repairing and servicing revenue equipment, and amounts paid to public shops and garages for repairing and servicing revenue equipment. (See § 182.01-12.)

(b) This account shall also be charged with the cost of replacing original equipment included in the book cost of revenue vehicles such as fire extinguisher supplies, jacks, lamps, pads, poles, ropes, stakes, tarpaulins, tire chains, etc.

ITEMS

Alcohol and other non-freeze preparations.
Battery men.
Carpenters.
Cleaning supplies and solvents.
Electricians and radio maintenance men.
Grease and lubricants (other than motor oil).
Greasers.
Helpers.
Machinists.
Mechanics.
Metal workers.
Outside repairs and service.
Repair parts, materials and supplies.
Washers and cleaners.
Working foremen.

(c) The cost of repairs to revenue equipment involved in accidents shall be charged to a separate subdivision of this account and accounted for as provided in § 182.01-22 (f).

(d) This account shall be subdivided as follows (see § 182.01-27)

4131—Line Haul Equipment.
4135—Pick-up and Delivery Equipment.

NOTE: The cost of operating and maintaining automobiles used by officers and employees, including gasoline, oil, tires and tubes, and repairs, shall be charged to the accounts provided for other personal expenses of such employees.

§ 182.4160 Tires and tubes; revenue equipment. (a) This account shall include the cost, including taxes, of tires and tubes applied to revenue equipment, including tires and tubes on new equipment.

(b) The cost of tires and tubes applied to revenue equipment may be charged directly to this account or included in account 1860—Prepaid Tires and Tubes, and charged off to this account in appropriate monthly installments.

(c) This account shall also be charged with the cost of labor and materials used in repairing and renewing, setting up and mounting tires and tubes on revenue equipment, including the cost of shoes, valves, flaps, sections, recaps, etc.

(d) When a carrier contracts to use tires at a monthly rental based on miles run or some similar method of computing the charge, the cost of such tire service, including abused tires, shall be included in this account.

(e) This account shall be subdivided as follows (see § 182.01-27)

4161—Line Haul Equipment.
4165—Pick-up and Delivery Equipment.

NOTE A: The cost of unapplied tires and tubes held in stock, shall be charged to account 1189—Material and Supplies.

NOTE B: The cost of tires and tubes used by service cars and automobiles shall be accounted for as provided in the text of account 4189—Other Maintenance Expenses.

§ 182.4180 Other maintenance expenses. This account shall be charged with wages and other expenses, incurred in connection with maintenance of the carrier's revenue equipment, that are not provided for elsewhere, such as:

(a) The pay of operators of service cars and wreckers, shop sweepers and janitors, watchmen and unskilled laborers; also the pay of employees while repairing shop and garage structures, tools, machines, service equipment and furniture and office equipment of the maintenance department.

(b) The cost of heat, light, power and water used in shops and garages.

(c) The cost of materials, supplies and small tools consumed in the operation and maintenance of shops and garages and not directly assignable to other accounts.

(d) The cost of gasoline and oil, tires and tubes, including taxes; vehicle licenses; repairs to service cars, wreckers, etc., used in connection with the operation of shops and garages.

(e) Other expenses such as payments for towing, wrecker and similar services; vehicle inspection fees; cost of removing snow and ice from shop and garage structures and grounds; the cost of ice, drinking water, towels, soap, etc., and employees' travel and personal expenses not directly chargeable to other accounts in the maintenance group of accounts.

NOTE A: The cost of operating and maintaining automobiles used by officers and employees, including vehicle licenses, gasoline, oil, tires and tubes, and repairs, shall be charged to the accounts provided for other personal expenses of such employees.

NOTE B: The cost of initial improvements (including repairs and rearrangements) in the preparation of purchased buildings or grounds for use by the maintenance department, shall be charged to account 1201—Land and Land Rights, or account 1210—Structures, as appropriate. The accounting for similar expenditures on property leased from others shall be as provided in § 182.01-19 (h).

NOTE C: Amounts recovered from insurance companies or others and amounts provided in account 2660—Insurance Reserves, for damages to buildings, grounds, furniture, machinery, etc., used in the maintenance of revenue equipment shall be accounted for as provided in § 182.01-22 (f).

§ 182.4191 Joint garage expense; debit. This account shall include the carrier's proportion of costs, incurred by others in maintaining and operating joint shop and garage equipment and facilities, including overhead costs, except items chargeable to account 5340—Joint Facility Rents—Debit. (See paragraph (v) of § 182.00-1 and § 182.01-25 (b).)

§ 182.4196 Joint garage expense; credit. This account shall include the amounts chargeable to others as their proportion of the costs incurred by the carrier in maintaining and operating joint shop and garage equipment and

facilities, including overhead costs, except items creditable to account 5390—Joint Facility Rents—Credit. (See paragraph (w) of § 182.00-1 and § 182.01-25 (a).)

§ 182.4200 *Transportation.*

§ 182.4210 *Supervision.* (a) This account shall include the salaries and bonuses of officers and other employees engaged in supervising and directing transportation.

(b) This account shall also include the pay and bonuses of inspectors, dispatchers, clerks and other administrative employees of the transportation department including operators of two-way radio communication service.

§ 182.4220 *Office and other expenses.* This account shall include the cost of services and supplies, and other expenses incurred in connection with the administrative functions of the transportation department.

ITEMS

Automobiles, maintenance and operation of.
Books.
Drinking water and refrigeration.
Entertainment.
Heat, light, power and water.
Hotels and meals.
Janitor and cleaning supplies.
Membership fees and dues in trade and other associations.
Rents paid for the use of typewriters and other office machines.
Repairs to transportation office furniture, fixtures and equipment.
Stationery and printing.
Subscriptions to newspapers, trade journals, etc.
Traveling expenses.
Towel service.

§ 182.4230 *Drivers and helpers.* (a) This account shall include the wages, bonuses and vacation pay of drivers of revenue equipment, and helpers, engaged in freight transportation service, including wages for time during which they are required to be on duty in readiness for active service.

(b) This account shall be subdivided as follows (see § 182.01-27)

4231—Line Haul Equipment.
4235—Pickup and Delivery Equipment.

§ 182.4250 *Fuel for revenue equipment.* (a) This account shall include the cost of gasoline, other motor fuel, and enriching materials used by revenue equipment. Include in this account transportation charges payable to others on motor fuel.

(b) This account shall be subdivided as follows (see § 182.01-27)

4251—Line Haul Equipment.
4255—Pickup and Delivery Equipment.

NOTE A. Taxes on motor fuel shall be charged to account 5200—Operating Taxes and Licenses, at time of purchase.

NOTE B: Motor fuel used in automobiles and service cars shall be accounted for as provided in account 4180—Other Maintenance Expenses.

§ 182.4260 *Oil for revenue equipment.* (a) This account shall include the cost of motor oils used by revenue equipment. Include in this account transportation charges payable to others on motor oil.

(b) This account shall be subdivided as follows (see § 182.01-27)

4261—Line Haul Equipment.
4265—Pickup and Delivery Equipment.

NOTE A. Taxes on motor oil shall be charged to account 5200—Operating Taxes and Licenses, at time of purchase.

NOTE B: Motor oil used in automobiles and service cars shall be accounted for as provided in account 4180—Other Maintenance Expenses.

§ 182.4270 *Purchased transportation.*

(a) This account shall include amounts payable to others for furnishing vehicles with drivers used in performing any portion of the carrier's revenue service, including local cartage and pickup and delivery of its intercity freight, under arrangements whereby payment for the service received is based on a percentage of revenue, charge per mile or hundred pounds, or other method of computation, but not including a division of joint tariff rates, and the expenses of the haul, including wages of drivers, are borne by the hired carrier or owner-operator.

(b) This account shall also include payments to railroads and water carriers for intercity transportation of loaded trucks or trailers, and allowances to shippers and consignees for the picking up or delivery of intercity freight.

(c) This account shall be subdivided as follows.

§ 182.4271 *Purchased transportation; intercity.* (a) Payments to Class I Motor Carriers.

(b) Payments to railroads and water carriers.

(c) Payments to all others, including motor carriers, owner-operators and private carriers.

§ 182.4275 *Purchased pickup and delivery.* (a) Payments to others for performing the carrier's local cartage service and pickup and delivery of its intercity freight.

(b) Allowances to shippers and consignees for the picking up or delivery of intercity freight.

NOTE: Amounts payable as rent for vehicles furnished without the services of drivers, for use in the carrier's transportation service, shall be charged to account 5310—Equipment Rents—Debit.

§ 182.4280 *Other transportation expenses.* This account shall include transportation department expenses that are not provided for elsewhere.

ITEMS

Badges for employees.
Expenses other than wages of deadheading drivers.
Extra labor hired for loading and unloading the carrier's vehicles except at its terminals.
Fines for traffic violations.
Ice and other refrigerants.
Lodging for drivers and miscellaneous transportation employees.
Meals for drivers and miscellaneous transportation employees.
Payments to customers' employees for services after hours.
Pilot cars and drivers, cost of providing.
Plates, vehicle identification (State and others, not renewable periodically).
Repairs to transportation structures, fixtures and equipment.
Tolls—bridge, tunnel, highway and ferry.
Uniforms for drivers.

Wages, materials and tools used in, and amounts paid others for, clearing and sanding roads.
Weighing freight, other than at carrier's terminals.

§ 182.4300 *Terminal.*

§ 182.4310 *Supervision.* This account shall include the total of amounts included in accounts 4311 to 4313 inclusive.

§ 182.4311 *Supervisory salaries.* This account shall include the salaries and bonuses of officials and other employees engaged in general supervision of terminal operations.

§ 182.4312 *Salaries and fees; billing and collecting.* This account shall include the pay of cashiers and other employees engaged in rating, billing and manifesting freight shipments and payments to outside organizations for manifesting, rating or collecting freight bills.

§ 182.4313 *Other office employees.* This account shall include the pay of stenographers, typists, telephone operators, information clerks and all other terminal office employees not provided for in accounts 4311 and 4312.

§ 182.4320 *Office and other expenses.* This account shall include the cost of office supplies and other supplies and expenses consumed in connection with the administrative functions of the terminal department.

ITEMS

Automobiles, maintenance and operation of, including taxes on gasoline, oil, tires and tubes.
Books.
Entertainment.
Hotels and meals.
Membership fees and dues in trade and other associations.
Postage.
Rents paid for the use of typewriters and other office machines.
Repairs to terminal office furniture, fixtures and equipment.
Stationery and printing.
Subscriptions to newspapers, trade journals, etc.
Traveling expenses.
Towel service.

§ 182.4340 *Salaries and wages; platform employees.* This account shall include the salaries and wages of platform superintendents, foremen, checkers, loaders, platform truckers, and other employees, including casual labor, engaged in loading, unloading and platform handling of freight at the carrier's terminals. (See § 182.01-11.)

§ 182.4350 *Other terminal employees.* This account shall include the pay of yardmen, watchmen, cleaners, janitors and other miscellaneous terminal employees.

§ 182.4360 *Commission agents.* This account shall include amounts paid to others on a commission or other basis for the solicitation, terminal handling and pickup and delivery of freight at points where the carrier does not operate terminals or participate with other carriers in joint terminal facilities. Include also amounts allowed commission agents for expenses such as advertising, rent, light, heat, power and water, telephone and

telegraph service, and items of a similar nature.

NOTE A: Payments for the pickup and delivery of freight by commission agents shall be included in account 4275—Purchasing Pickup and Delivery, if they can be segregated from amounts paid agents for terminal handling, solicitation, and other expenses.

NOTE B: Commissions paid to freight solicitors, other than commission agents as set out in this account, are includible in account 4410—Supervision.

§ 182.4380 *Other terminal expenses.* This account shall include the cost of platform supplies and other expenses incurred in connection with the operation of terminals.

ITEMS

Ash removal.
Cleaning supplies.
Drinking water and refrigerants.
Heating or cooling including supplies.
Janitor service.
Laundry service, including supplies.
Lighting and electric power.
Repairs to terminal structures, platform furniture, fixtures and equipment.
Snow and dust removal.
Sprinkling terminal grounds.
Tools and supplies for terminal use.
Weighing freight at terminals.

§ 182.4391 *Joint terminal facilities; debit.* This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint terminal equipment and facilities, including overhead costs, except items chargeable to account 5340—Joint Facility Rents—Debit. (See paragraph (w) of § 182.00-1 and § 182.01-25 (b).)

§ 182.4396 *Joint terminal facilities; credit.* This account shall include the amounts chargeable to others as their proportion of the costs incurred by the carrier in maintaining and operating joint terminal facilities, including overhead costs, except items creditable to account 5390—Joint Facility Rents—Credit. (See paragraph (w) of § 182.00-1 and § 182.01-25 (a).)

§ 182.4400 *Traffic.*

§ 182.4410 *Supervision.* (a) This account shall include the salaries and bonuses of officers, traffic managers and other employees who are directly in charge of the promotion and solicitation of traffic.

(b) This account shall also include the salaries and commissions of employees engaged in the solicitation of traffic, such as salesmen, solicitors and estimators, and commissions and fees paid to outside organizations for the solicitation of traffic with the exception of payments to commission agents (see account 4360) salaries of employees engaged in preparing tariffs, schedules and statistical data, and preparing and distributing advertising matter for the purpose of obtaining traffic; and salaries of other traffic department employees such as stenographers, typists, clerks, etc.

§ 182.4420 *Office and other expenses.* This account shall include all supervisory expenses not provided for elsewhere, including the cost of maintaining and operating automobiles; the carrier's proportion of expenses of traffic associations and membership fees in trade, technical

and professional associations; officers and employees' hotel and traveling expenses; postage; and stationery and printing.

§ 182.4430 *Tariffs and schedules.* This account shall include the cost of printing and other expenses, except salaries, incurred in the preparation of tariffs and schedules, including postage and transportation charges. This account shall also include amounts payable to outside agencies for publishing the carrier's tariffs and schedules.

§ 182.4450 *Advertising.* This account shall include expenses, other than salaries, in connection with advertising for the purpose of securing traffic, such as the preparation, printing and distribution of advertising matter and copy, commissions and fees paid outside advertising agents, the cost of advertising space in newspapers and periodicals, expenses incurred in connection with advertising by radio, the cost of operating and maintaining neon and other display signs (permanent or portable) for attracting traffic, bulletin boards, display cards and cases, and photographs; also postage and express charges on advertising matter, cost of bill posting, etc.

§ 182.4480 *Other traffic expenses.* This account shall be charged with traffic department expenses that are not provided for elsewhere.

§ 182.4500 *Insurance and safety.*

§ 182.4510 *Supervision.* This account shall include the salaries or wages, and bonuses, of insurance and safety department employees, and payments to others, as follows:

(a) The salaries of officers and other employees who are engaged in general supervision of the insurance and safety department.

(b) The salaries of employees engaged in handling insurance, safety, and claims.

(c) The salaries of officers and employees of the law department when specifically assigned to and engaged in injury, loss and damage cases, and payments to attorneys, investigators, adjusters, etc., who are not regular employees of the carrier, for services in connection with such cases.

§ 182.4520 *Office and other expenses.*

(a) This account shall include all supervisory expenses not provided for elsewhere, including the cost of maintaining and operating automobiles; special costs incurred in procuring insurance, such as brokerage fees (not included in premiums) notarial fees, and insurance inspection service; costs of safety-first and other campaigns among employees or the public for the purpose of preventing accidents, losses and damage; officers' and employees' hotel and other traveling expenses including those of employees of the law department when specifically assigned to and engaged in injury, loss and damage cases; the cost of memberships in trade, technical and professional associations; postage; stationery and printing; rents paid for the use of typewriters and other office machines; and subscriptions to newspapers, trade journals, etc.

(b) Reimbursements from insurance companies or others for expenses charged

to this account in connection with injury, loss and damage cases shall be credited to this account.

§ 182.4530 *Public liability and property damage.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds) of commercial insurance to protect the carrier against liability for deaths of or injuries to persons (other than the carrier's employees) and damages to the property of others (except property intrusted to the carrier for transportation or storage) resulting from the operation of owned and leased vehicles in motor carrier service. (See § 182.01-22 (d).)

(b) This account shall also be charged each month and account 2680—Injuries, Loss and Damage Reserves, shall be credited with amounts sufficient to meet the probable liability under the classes of risks set out in paragraph (a) of this section, not covered by commercial insurance.

§ 182.4540 *Workmen's compensation.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds) of insurance required to provide for workmen's compensation or similar employee protection in connection with motor carrier operations, whether such insurance is provided by means of premiums payable to governmental agencies or commercial insurance companies. (See § 182.01-22 (d).)

(b) This account shall also be charged each month and account 2680—Injuries, Loss and Damage Reserves, shall be credited, with amounts sufficient to meet the probable liability not covered by outside insurance, on account of claims for injuries to and deaths of employees arising under workmen's compensation and employer's liability acts.

NOTE: Payments to or on behalf of employees, other than claims covered by this account, including accident and death benefits, salaries, fees and expenses of surgeons, doctors, nurses, hospital expenses and medical supplies, etc., shall be charged to account 4645—Employees' Welfare Expenses.

§ 182.4550 *Cargo loss and damage.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds) of commercial insurance to protect the carrier against liability for claims resulting from loss and damage to, or delay of, property intrusted to it for transportation or storage. (See § 182.01-22 (d).)

(b) This account shall also be charged each month and account 2680—Injuries, Loss and Damage Reserves, shall be credited, with amounts sufficient to meet the probable liability for claims under the classes of risks set out in paragraph (a) of this section, that are not covered by commercial insurance.

(c) A freight claim register shall be maintained by all carriers in the form set out in § 182.01-22 (e).

§ 182.4560 *Fire, theft and collision.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds) of commercial insurance to protect the carrier against loss from fire, theft or collision.

sion damage to owned or leased vehicles and for fire insurance on structures, machinery, equipment, etc., used in motor carrier operations. (See § 182.01-22 (f).)

(b) In case a carrier shall carry its own insurance risks, either wholly or in part, for the classes of coverage set out in paragraph (a) above, this account shall be charged each month and account 2660—Insurance Reserves, shall be credited, with an amount sufficient to meet the probable loss not covered by commercial insurance.

(c) If commercial or self-insurance coverage is not maintained by the carrier, this account shall be charged with losses arising under the classes of risks set out in paragraph (a) of this section. (See, however, § 182.01-22 (b).)

§ 182.4570 *Other insurance expense.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds) of commercial insurance to protect the carrier against loss from boiler; burglar; fidelity holdup; lightning; plate glass; owners, landlords, and tenants liability; and other risks not elsewhere provided for. (See § 182.01-22.) This account shall also be charged with premiums on performance and similar bonds.

(b) In case a carrier shall carry its own insurance risks, either wholly or in part, for the classes of coverage set out in paragraph (a) above, this account shall be charged each month and account 2660—Insurance Reserves, shall be credited, with an amount sufficient to meet the probable loss not covered by commercial insurance.

(c) If commercial or self-insurance coverage is not maintained by the carrier, this account shall be charged with losses arising under the classes of risks set out in paragraph (a) of this section. (See, however, § 182.01-22 (b).)

§ 182.4580 *Other insurance and safety department expenses.* This account shall be charged with insurance and safety department expenses other than risks or claims that are not provided for elsewhere.

§ 182.4600 *Administrative and general.*

§ 182.4610 *Supervision.* This account shall include the total of amounts included in accounts 4611 to 4613, inclusive.

§ 182.4611 *Salaries; general officers.* (a) This account shall include the salaries, bonuses, and other forms of consideration for services of general officers whose jurisdiction extends over the carrier's entire transportation system, and also fees payable to receivers or trustees appointed by the courts. As here used, the term "general officers" would ordinarily include the following:

Chairman of the Board.	General Counsel.
President.	General Secretary.
Vice Presidents.	General Auditor.
Treasurer.	General Manager.
Comptroller.	

The salaries of the officers enumerated above shall be included in this account regardless of the fact that they may also perform duties in connection with the maintenance, transportation, terminal or other functional operations

of the carrier, except that the pay of officers in charge of other functions who perform no general administrative duties, shall be charged to the appropriate accounts provided for the pay of supervisory employees in those groups of accounts.

(b) This account shall also include the amounts designated as salaries of sole proprietors, and partners in charge of the administration of non-incorporated motor carriers.

§ 182.4612 *Salaries; revenue accounting.* This account shall include the pay of employees engaged in handling revenue accounting such as, machine operators, sorters, file clerks, cashiers, revision clerks and employees handling interline accounting and credits.

§ 182.4613 *Salaries; other general office employees.* This account shall include the pay of all other general office employees not includible in account 4612, such as office managers, chief accountants, bookkeepers, attorneys, purchasing agents, stenographers, typists, switchboard operators, clerks, janitors, watchmen and other employees attached to the general office.

§ 182.4620 *Office and other expenses.* This account shall include the total of amounts included in accounts 4621 to 4623, inclusive.

§ 182.4621 *Expenses of general officers.* This account shall include expenses incurred for the benefit of motor carrier operations by officers whose salaries are includible in account 4611, such as:

Cost of operation and maintenance of automobiles.
Traveling expenses.
Membership fees and dues in trade and professional organizations.

§ 182.4622 *Expenses of general office employees.* This account shall include traveling and incidental expenses incurred by general office employees whose salaries are includible in accounts 4612 or 4613, such as:

Cost of operation and maintenance of automobiles.
Traveling expenses.
Membership fees and dues in trade and professional organizations.

§ 182.4623 *Other general office expenses.* This account shall include the cost of supplies and expenses incurred in connection with the carrier's general administrative functions.

ITEMS

Books.
Drinking water and refrigeration.
Heat, light, power and water.
Janitor and cleaning supplies.
Postage.
Printed forms for general office use.
Rent for office machines.
Repairs to general office furniture and equipment.
Stationery and office supplies.
Subscriptions to newspapers, clipping bureaus, periodicals, etc.
Towel service.

§ 182.4630 *Law expenses.* This account shall include the cost of operating the carrier's law department, other than salaries of employees, including amounts payable to others for legal services and related expenses not provided for in

other operating expense accounts (see account 4510)

ITEMS

Cost of law suits.
Cost of preparing and printing agreements, briefs, reports, etc.
Court costs.
Court fees.
Law books, periodicals and subscriptions to special services.
Law expenses of receivers.
Legal forms, law office supplies, postage and stationery.
Meals because of overtime work.
Payments to outside attorneys.
Premiums on court and other bonds.
Printing.
Tax reports, claims, etc., when handled by legal staff.
Transcripts of testimony, copies of exhibits, etc.
Traveling expenses of outside attorneys, witnesses, etc.
Witness fees.

NOTE A: The pay of the legal staff of the carrier shall be included in account 4611—Salaries—General Officers, 4613—Salaries—Other General Office Employees, or other appropriate accounts.

NOTE B: The pay of law department officers and employees engaged in formal cases before regulatory commissions, in cases to which such a commission is a party, or when specifically assigned to injury and damage cases, shall be charged to account 4670—Regulatory Expenses, account 4610—Supervision, or other appropriate accounts. (See § 182.01-11.)

NOTE C: Law expenses incident to the purchase of operating rights, the acquisition of such rights from Federal or State Commissions or securing from local authorities of franchises or consents with a life of more than 1 year shall be charged to the appropriate subdivision of account 1600—Organization, Franchises, and Permits, or account 1650—Other Intangible Property. (See § 182.01-20 (a).) Law expenses incident to the issuance of long-term debt or capital stock shall be charged to account 1880—Unamortized Debt Discount and Expense, account 2400—Unamortized Premium on Debt, or account 1910—Commission and Expense on Capital Stock, as appropriate.

§ 182.4635 *Outside auditing expenses.* This account shall include the cost of auditing and accounting services rendered by individuals or firms other than the carrier's own employees.

NOTE: The fees and expenses paid independent auditors and accountants for preparing financial and other statements incident to the issuance of long-term debt and capital stock, or to the acquisition of operating rights, shall be charged, as appropriate, to account 1880—Unamortized Debt Discount and Expense, account 2400—Unamortized Premium on Debt, account 1910—Commission and Expense on Capital Stock, account 1511—Franchises, or account 1650—Other Intangible Property. (See Note B under account 1511.)

§ 182.4640 *Communication service.* This account shall include the cost, including excise taxes, of all communication service payable to outside companies, such as telephone, teletypewriter, telegraph, radio, etc.

§ 182.4645 *Employees' welfare expenses.* (a) This account shall include pensions or other benefits paid to active and retired employees of the carrier, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit and general medi-

cal departments. It shall include payments to or on behalf of employees, other than claims covered by the provisions of Workmen's Compensation Acts, on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits, and the carriers proportion of premiums on group insurance policies for the benefit of employees or their beneficiaries. (See note under § 182.01-22 (g).)

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current payrolls, which, together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged to this account shall be concurrently credited to a separate subaccount under account 2690—Other Reserves. The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the carrier for pensions and amounts paid into the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liability is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve or to account 8200—Extraordinary Income Charges. If a carrier pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

ITEMS

Accident, sickness, death and other disability benefits to employees, their representatives, or beneficiaries,
Employees of relief, benefit, and general medical departments, pay and expenses of,

Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance,
Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments,
Medical service and supplies,
Office supplies,
Postage, printing, and stationery,
Premiums paid on group insurance for the benefit of employees or their beneficiaries. (The carrier's proportion only.)
Traveling expenses.

NOTE: The cost of life or other insurance on officers and employees whereunder the carrier is the beneficiary shall be charged to account 7500—Other Deductions. Cash surrender values of such policies shall be carried in account 1650—Other Investments and Advances.

§ 182.4650 *Management and supervision fees.* (a) This account shall include the amounts of fees and expenses incurred for services received from others under a service contract or other arrangement providing for the furnishing of general management, supervision, purchasing, financial or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each provider of the service with respect to each class of service so furnished and the basis upon which the fees are assessed. If the costs incurred in the first instance by the person furnishing the service are apportioned to several recipients thereof, the records of the carrier shall indicate the aggregate cost to the furnishing person and the method of apportionment to the carrier.

(c) This account shall be subdivided to reflect:

(1) Fees and expenses of affiliated companies.

(2) Fees and expenses of other persons (see paragraph (cc) of § 182.00-1).

§ 182.4660 *Uncollectible revenues.* (a) This account shall be charged, and account 1120—Accounts Receivable—Agents, Customers and Interline, shall be credited, with receivables for carrier operating revenues, including interline proportions of revenue due from other carriers, which, after a reasonably diligent effort to collect, have proved impracticable of collection. If accounts which have been so written off are afterwards collected, the amount received shall be credited to this account, *Provided, however*, That such recoveries are from accounts charged off against this account.

(b) Charges to this account may be made monthly on the basis of the estimated average loss of revenue due to uncollectible accounts, in which case the concurrent credit shall be to account 2650—Reserve for Uncollectible Accounts. To the reserve thus established shall be charged such amounts as are determined to be uncollectible, and amounts written off and subsequently collected shall be credited to the reserve. When charges to this account are made by estimate, the estimate shall be adjusted at the end of each calendar year to conform to the experience of the accounting carrier as determined by analysis of its accounts receivable.

NOTE: Losses on receivables for other than carrier operating revenues, and losses on notes or claims receivable, shall be accounted for as provided in item 3 of account 7500—Other Deductions.

§ 182.4670 *Regulatory expenses.* (a) This account shall include expenses incurred by the carrier in connection with formal cases before Federal or state regulatory bodies or cases to which such a body is a party; also include payments made to a regulatory commission for fees or amounts assessed against the carrier for pay and expenses of the regulatory commission, its officers, agents and employees, other than those incurred in securing certificates of convenience and necessity and authority for the issuance of securities. (See Note B.)

(b) Amounts includible in this account which by approval or direction of the Commission are to be spread over future periods shall be charged to account 1830—Other Deferred Debits, and amortized by charges to this account.

ITEMS

Fees, retainers, and expenses of counsel, collectors, attorneys, clerks, attendants, witnesses, and others whose services are secured for the defense or prosecution of petitions or complaints presented to regulatory bodies.

The pay of officers and employees specifically assigned to or engaged in the valuation of property owned or used by the carrier, in connection with such cases, and the cost of similar work performed by others.

Amounts assessed by Federal and state regulatory commissions for pay and expenses of their officers, agents, and employees; office and traveling expenses; stationery, printing and engineering supplies; and other expenses and supplies including expenses of officers and employees upon matters covered by this account even though no portion of their pay is assignable hereto.

NOTE A: Expenses incurred for the improvement of service, for additional inspection, or rendering reports which are made necessary by the rules and regulations, or orders, of regulatory bodies, shall be charged to the appropriate operation and maintenance expense accounts.

NOTE B: Expenses incident to securing certificates of convenience and necessity shall be charged to the appropriate subdivisions of account 1590—Organization, Franchises and Permits. Expenditures incident to securing authorization for issuance of long-term debt or capital stock shall be charged to account 1830—Unamortized Debt Discount and Expense, account 2400—Unamortized Premium on Debt, or account 1910—Commission and Expense on Capital Stock, as appropriate.

§ 182.4675 *Purchasing and store expenses.* (a) This account shall include the cost of operating the carrier's purchasing department including amounts payable to persons, other than officers and employees of the carrier, for technical advice and services incident to the purchase of parts, gasoline, stationery supplies, etc. (See, however, account 4650—Management and Supervision fees.)

(b) This account shall include credits for cash and other discounts when it is not practicable to apply such discounts directly to the cost of the materials to which they relate.

(c) This account shall include differences arising from inventory adjustments which have not been otherwise

apportioned in accordance with Note B under account 1180—Material and Supplies.

NOTE: Suitable proportions of items included in this account may be allocated to the cost of materials and supplies. (See account 1180.)

§ 182.4680 *Other general expenses.* (a) This account shall include all general expenses connected with motor carrier operations not provided for elsewhere, including fees and expenses payable to the carrier's directors or trustees; expenses in connection with publishing and mailing reports and notices to stockholders, etc., cash overages and shortages, other than defalcation of the carrier's funds; and fees and expenses of filing annual reports and other documents not specifically related to the obtaining of certificates or applications for issuance of securities and repairs to general office structures and fixtures.

(b) This account shall also include contributions for charitable, social, or community welfare purposes, except contributions to employees' welfare associations which shall be included in account 4645—Employees' Welfare Expenses, and contributions provided for in account 7500—Other Deductions.

§ 182.4691 *Joint operating expense; debit.* This account shall include amounts payable to others representing the cost of operating and maintaining joint facilities used for general purposes, such as a general office, or where amounts payable can not be segregated between the functional groups of expense accounts provided herein. (See paragraph (w) of § 182.00-1 and § 182.01-25.)

§ 182.4696 *Joint operating expense; credit.* This account shall include amounts received by the accounting carrier as reimbursement for operation and maintenance costs incurred in connection with its operation of a joint facility used for general purposes such as a general office, or when the amounts received cannot be segregated between the functional groups of expense accounts provided herein. (See paragraph (w) of § 182.00-1 and § 182.01-25.)

DEPRECIATION EXPENSE

§ 182.5000 *Depreciation expense.* (a) This account shall include the amount of depreciation charges accruing each month for all classes of depreciable property owned by the carrier and used by it in motor carrier operations or leased to others as part of a distinct operating unit (see paragraph (v) of § 182.00-1), including depreciation of the carrier's improvements to property leased from others. (See § 182.01-23.)

(b) The following subdivisions of this account shall be maintained.

§ 182.5010 *Depreciation of structures.* This account shall include depreciation of structures situated on owned land, including all appurtenant fixtures permanently attached thereto, and of improvements to owned land and other structures or constructions, the investment in which is included in account 1210—Structures.

§ 182.5020 *Depreciation of revenue equipment.* (a) This account shall in-

clude depreciation of revenue equipment. (See list of items in account 1220—Revenue Equipment.)

(b) This account shall be subdivided as follows (see § 182.01-27).

5021—Line Haul Equipment.

5025—Pickup and Delivery Equipment.

§ 182.5030 *Depreciation of service cars and equipment.* This account shall include depreciation of automobiles, wreckers, sand and salt cars, tow cars and other service equipment, the investment in which is included in account 1230—Service Cars and Equipment.

§ 182.5040 *Depreciation of shop and garage equipment.* This account shall include depreciation of machinery and equipment, the investment in which is included in account 1240—Shop and Garage Equipment.

§ 182.5050 *Depreciation of furniture and office equipment.* This account shall include depreciation of furniture, office appliances and equipment, the investment in which is included in account 1250—Furniture and Office Equipment.

§ 182.5060 *Depreciation of miscellaneous equipment.* This account shall include depreciation of equipment employed by the carrier in motor carrier operations and not provided for elsewhere, the investment in which is included in account 1260—Miscellaneous Equipment.

§ 182.5070 *Depreciation of improvements to leasehold property.* This account shall include depreciation of improvements to leasehold property installed by the carrier, the investment in which is included in account 1270—Improvements to Leasehold Property.

§ 182.5080 *Depreciation of undistributed property.* This account shall include depreciation of property temporarily included in account 1280—Undistributed Property.

§ 182.5100 *Depreciation adjustment.* This account shall include amounts representing adjustments for over or under accruals of depreciation when carrier operating property, depreciated under the unit plan, is retired from service. (See § 182.01-21 (a).)

AMORTIZATION EXPENSE

§ 182.5150 *Amortization chargeable to operations.* This account shall include the total of the amounts included in accounts 5151 and 5155:

§ 182.5151 *Amortization of carrier operating property.* This account shall be charged, and account 2600—Reserve for Amortization—Carrier Operating Property, shall be credited each month, with amortization charges applicable to amounts representing the cost of acquiring long-term leaseholds of land and easements used in carrier operations carried in account 1201—Land and Land Rights, and to amounts of fixed-term motor carrier franchises, permits, consents, licenses and patent rights carried in account 1500—Organization, Franchises and Permits. This account shall also be charged with the unamortized book cost of such items at the time of retirement. (See § 182.01-21 (b) (1).)

NOTE: Amortization charges on the book cost of intangible items that are not restricted to a fixed term, included in account 1500—Organization, Franchises and Permits, and account 1550—Other Intangible Property, shall be charged to account 7500—Other Deductions. (See § 182.01-23 (c).)

§ 182.5155 *Extraordinary property losses.* Losses in service value of property retired because of abandonment or other causes for which provision has not been made in the depreciation or other reserves and losses from retirements that could not reasonably have been foreseen and provided for and which are not covered by commercial or self insurance may be charged off to this account at the time of their occurrence, or such losses may be included in account 1890—Other Deferred Debits, and amortized therefrom by monthly charges to this account. The carrier shall make application to the Commission for permission to make use of this account for the foregoing purposes and in the application it shall give full particulars concerning the property retired, or abandoned, the reason for which it is retired or abandoned, the amounts provided in respect thereto in the depreciation reserves, the amount chargeable to account 1890 and the period over which, in its judgment, such amount should be amortized.

TAXES AND LICENSES

§ 182.5200 *Operating taxes and licenses.* (a) This account shall include the amount of Federal, state, county, municipal and other taxing district taxes, which relate to motor carrier operations and property used therein (except taxes provided for in account 8800—Income Taxes.)

(b) This account shall be charged each month with the amount of taxes applicable thereto, with concurrent credits to account 2120—Taxes Accrued, or account 1800—Prepayments, as appropriate. When it is not possible to determine the actual taxes, they shall be estimated and the applicable portion of the total tax included in this account each month. Taxes included in this account on an estimated basis shall be adjusted when the actual levies become known. Taxes on gasoline, other motor fuel and motor oil, shall be included in this account at the time of purchase.

(c) The records shall be kept so as to show separately for each of the following subdivisions the amount of each class of tax included in this account and the basis on which it is levied, segregated between the amounts levied by the Federal government, and by state, municipal, and other taxing authorities.

§ 182.5210 *Gasoline, other fuel and oil taxes.* This account shall include all taxes on motor fuel and motor oil consumed by vehicles in motor carrier operations during the current accounting period, and shall be segregated as follows (see § 182.01-27)

5211—Line Haul Equipment.

5215—Pickup and Delivery Equipment.

NOTE: Taxes on gasoline and oil used in service equipment and automobiles shall be included in the accounts charged with other expenses of such vehicles.

§ 182.5220 *Vehicle license and registration fees.* This account shall include the cost of all taxes, licenses and fees assessed for the privilege of operating revenue vehicles over the highways, such as registration fees, license plate fees, mileage taxes, gross receipts taxes, gross weight taxes, ton-mile taxes, port of entry fees, permits for overload and oversize (when absorbed by the carrier) certificates of title fees, vehicle qualification fees and similar items, and shall be segregated as follows (see § 182.01-27)

5221—Line Haul Equipment.

5225—Pickup and Delivery Equipment.

NOTE: Licenses and registration fees for service equipment and automobiles shall be included in the accounts charged with other expenses of such vehicles.

§ 182.5230 *Real estate and personal property taxes.* This account shall include the amount of taxes based on the value of real estate and personal property.

§ 182.5240 *Social security taxes.* This account shall include the carrier's proportion of social security, unemployment, and old-age benefit taxes payable to the Federal and state governments.

§ 182.5250 *Other taxes.* This account shall include all other operating taxes, licenses, and fees not specifically provided for in accounts 5210 to 5240, inclusive.

ITEMS

Capital Stock taxes.

City licenses and permits.

Corporation taxes (for privilege of doing business as a corporation).

Gross receipts taxes not provided for elsewhere.

Occupancy taxes.

Permits to haul liquor, etc. (except overload or oversize).

Sales taxes paid by carrier as vendor.

Stock transfer taxes.

All other taxes, licenses or fees not otherwise provided for.

NOTE A: Taxes on property leased from others for use in motor carrier operations, when the lessee is obligated under the terms of the lease to pay such taxes in addition to stipulated rent, shall be included in these accounts.

NOTE B: All sales and excise taxes not provided for in these accounts shall be included in the account charged with the cost of the material, equipment or services to which the taxes apply.

NOTE C: The following other taxes and fees shall not be charged to this account:

1. Fees for filing annual reports and other documents not specifically related to certificates or applications for issuance of securities shall be charged to account 4680—Other General Expenses.

2. Special assessments for street or other improvements, and fees or charges, sometimes called taxes, such as water taxes, and charges for street sprinkling and sidewalk repairs, which are payments for some specific services rendered by municipal or other taxing bodies, shall be charged to the appropriate property investment accounts or operation and maintenance expense accounts. (See Note B under account 1201—Land and Land Rights.)

3. Taxes on property, the investment in which is included in account 1400—Non-Carrier Property, and other taxes incident to non-carrier operations, shall be charged to account 6100—Income from Non-Carrier Operations—Net.

4. Taxes on property leased to others as part of a distinct operating unit shall be

charged to the account to which the rent revenue is credited. (See account 6590—Lease of Distinct Operating Unit—Credit.)

5. Taxes paid on original issues of capital stock shall be included in account 1910—Commission and Expense on Capital Stock.

6. The cost of state and other identification plates, for which a small charge is made to cover cost of manufacture, shall be included in account 4280—Other Transportation Expenses.

OPERATING RENTS

§ 182.5300 *Operating rents; net.*

§ 182.5310 *Equipment rents; debit.* This account shall include amounts payable for the use of revenue equipment, without the services of drivers, on whatever basis such rent may be determined. All expenses incurred in the operation of leased revenue equipment which the lessee is obligated to assume in addition to the amount stipulated as rent shall be included in the operation and maintenance expense or other accounts as appropriate.

NOTE A: Amounts payable for rental of revenue equipment included in the lease of a distinct operating unit (see paragraph (v) of § 182.00-1) shall be charged to account 5400—Lease of Distinct Operating Unit—Debit.

NOTE B: Amounts payable for rental of vehicles with the services of drivers shall be charged to account 4270—Purchased Transportation.

§ 182.5320 *Other operating rents; debit.* (a) This account shall include all rental payments for the use of real estate and other property employed in motor carrier operations not provided for elsewhere.

ITEMS

Property used for shops and garages.

Property used by the transportation department.

Property used for terminals and terminal facilities.

Property used by the general office and other departments.

Machinery and tools including portable and stationary cranes, shop and garage, and terminal equipment, etc.

Automobiles and vehicles used as service cars, wreckers, etc.

Furniture, fixtures, and other equipment.

(b) Amounts receivable as rental from the sublease of property rented from others shall be credited to this account.

NOTE A: Rental payments for the use of office furniture; office machines such as typewriters, adding machines, tabulating machines, etc.; and of safety deposit boxes (including tax), shall be charged to the appropriate operation and maintenance expense or other accounts.

NOTE B: Rental payments for property and equipment used in noncarrier operations shall be charged to account 6100—Income from Non-Carrier Operations—Net.

§ 182.5340 *Joint facility rents; debit.* This account shall include amounts payable to other carriers as a proportion of rent, or for a return on the investment (including taxes and depreciation) for the use of property under a joint facility arrangement. (See paragraph (w) of § 182.00-1 and § 182.01-25.)

§ 182.5350 *Equipment rents; credit.* This account shall include amounts receivable for the use of revenue equipment furnished to others without the services of drivers, on whatever basis such rent may be determined. All expenses in-

curred in connection with the operation of revenue equipment when leased to others which the lessor is obligated to assume shall be included in the operation and maintenance expense or other accounts as appropriate.

NOTE A: Amounts receivable for rental of revenue equipment included in the lease of a distinct operating unit (see paragraph (v) of § 182.00-1) shall be credited to account 5590—Lease of Distinct Operating Unit—Credit.

NOTE B: Amounts receivable as rent for non-carrier property and equipment shall be credited to the appropriate other income accounts.

NOTE C: Amounts receivable for rental of vehicles with services of drivers shall be accounted for as provided in the text of account 3130—Intercity Transportation for Other Class I Motor Carriers.

§ 182.5360 *Other operating rents; credit.* (a) This account shall include amounts receivable for the use of real estate and other carrier operating property not provided for elsewhere, the cost of which is included in account 1200—Carrier Operating Property.

(b) Amounts paid to real estate agents and brokers as fees for the rental of property shall be charged to this account.

NOTE A: Amounts receivable for rental of real estate and other property included in the lease of a distinct operating unit (see paragraph (v) of § 182.00-1) shall be credited to account 5590—Lease of Distinct Operating Unit—Credit.

NOTE B: Amounts receivable as rental from the sublease of property rented from others shall be included in account 5320—Other Operating Rents—Debit.

§ 182.5390 *Joint facility rents; credit.* This account shall include amounts receivable from other carriers as their proportion of rent, or for a return on the investment (including taxes and depreciation), for the use of property operated by the carrier under a joint facility arrangement. (See paragraph (w) of § 182.00-1 and § 182.01-25.)

LEASE OF DISTINCT OPERATING UNIT

§ 182.5400 *Lease of distinct operating unit; debit.* This account shall include amounts payable for rent of property constituting a distinct operating unit (see paragraph (v) of § 182.00-1) or system leased from others for use in motor carrier operations when the carrier has exclusive possession.

§ 182.5580 *Lease of distinct operating unit; credit.* (a) This account shall include amounts receivable for rent of property constituting a distinct operating unit (see paragraph (v) of § 182.00-1) leased by the carriers to others for use in motor carrier operations, when the lessee has exclusive possession.

(b) This account shall be charged with all expenses assumed by the lessor in connection with the property leased, and shall be subdivided to show separately for each such lease, the following:

- (1) Rent revenue.
- (2) Expenses.
- (3) Taxes.
- (4) Uncollectible rents.

NOTE: Accruals of depreciation on carrier operating property leased to others as part of a distinct operating unit shall be credited to account 2530—Reserve for Depreciation—Carrier Operating Property Leased to Others.

OTHER ORDINARY INCOME

§ 182.6100 *Income from non-carrier operations; net.* (a) This account shall include the revenues from and expenses incurred by the carrier in business activities that are not connected with its motor carrier operations, the investment in which is carried in account 1400—Non-Carrier Property.

(b) This account shall be subdivided to reflect separately—

(1) Revenues derived from noncarrier operations.

(2) Expenses incurred in noncarrier operations.

NOTE A. The expenses referred to in the text of this account include all elements of cost incurred in noncarrier operations, including depreciation and amortization of noncarrier property, rents, taxes (other than income taxes), insurance, etc.

NOTE B: Uncollectible income from non-carrier operations shall be included in this account. (See also account 7500—Other Deductions.)

NOTE C: Each carrier may adopt its own classification of revenues and expenses for this account. The classification shall be such, however, as to permit ready analysis.

§ 182.6300 *Interest income.* (a) This account shall include interest accruing to the accounting carrier upon securities of other companies and Federal, state, or municipal governments, on loans, notes, and advances; special deposits and all other interest bearing assets. Interest accrued shall not be credited to this account unless its payment is reasonably assured; in other cases, credits to this account shall be based upon the interest actually collected.

(b) This account shall be kept so as to show separately the interest income from each investment and from each affiliated company.

§ 182.6400 *Dividend income.* (a) This account shall include income derived by the accounting carrier from the dividends on stock of other companies held by it. Accruals of guaranteed dividends may be included in this account if the payment is reasonably assured.

(b) This account shall be kept so as to show separately the dividend income from each investment and from each affiliated company.

§ 182.6500 *Other non-operating income.* This account shall include all income accrued to the accounting carrier in accordance with the terms of any contract by which the carrier is entitled to participate in the profits from the operations of others, and all other non-operating income not provided for in any of the foregoing accounts.

NOTE: "Profits from the operations of others" does not include any dividends on stock. Income from dividends shall be credited to account 6400—Dividend Income.

DEDUCTIONS FROM ORDINARY INCOME

§ 182.7100 *Interest.* (a) This account shall include all interest accrued on interest bearing obligations issued or assumed by the accounting carrier; also interest accrued on debentures and on receivers' certificates. This account shall not include interest on securities held by the accounting carrier in its treasury, in

sinking or other special funds, or pledged as collateral.

(b) This account shall be kept so as to show the interest expense (accrual) on each of the following:

- (1) Advances.
- (2) Bonds.
- (3) Equipment obligations.
- (4) Other long-term obligations.
- (5) Current obligations.
- (6) Matured long-term obligations.

§ 182.7300 *Amortization of debt discount and expense.* This account shall be charged each month with the applicable proportion of the unamortized discount and expense on outstanding long-term debt. This proportion shall be determined according to a rule, the uniform application of which during the interval between the issuance and maturity of any debt will completely amortize the discount at which such debt was issued and the debt expense connected therewith. Amounts charged to this account shall be concurrently credited to account 1880—Unamortized Debt Discount and Expense. (See § 182.01-17.)

§ 182.7400 *Amortization of premium on debt; credit.* This account shall be credited each month with the applicable proportion of the premium at which outstanding long-term debt was issued. This proportion shall be determined according to a rule the uniform application of which during the issuance and the maturity of any debt will completely amortize the premium at which such debt was issued. Amounts credited to this account shall be concurrently charged to account 2400—Unamortized Premium on Debt. (See § 182.01-17.)

§ 182.7500 *Other deductions.* This account shall include all deductions from gross income not provided for in any of the foregoing accounts, such as:

(a) Unsecured accruals on obligations arising under contracts whereby the accounting carrier has guaranteed the annual or more frequent periodic payment of money or performance of other obligation on the part of another corporation or person and because of the default of such other corporation or person, the liability of the accounting carrier has become actual.

(b) Losses resulting from the operations of others, whenever, in accordance with the terms of any contract, the accounting carrier is bound to contribute toward reimbursement of such losses.

(c) Losses on receivables, notes or claims, that are not includible in account 4660—Uncollectible Revenues, or account 6100—Income from Non-Carrier Operations—Net.

(d) Amortization charges on the book cost of property included in account 1500—Organization, Franchises and Permits, and 1550—Other Intangible Property, which is not restricted to a fixed term, and other items among the carrier's assets. (See § 182.01-21 (b).)

(e) Contributions for charitable, social, or community welfare purposes that do not have a direct or intimate relationship to the protection of the property, development of the business or welfare of the carrier's employees. (See account 4645—Employees' Welfare Ex-

penses, and account 4680—Other General Expenses.)

(f) Penalties and fines for violations of law except for violations of traffic regulations which are provided for in account 4280—Other Transportation Expenses.

(g) The excess of premiums for life insurance carried on the lives of officers and employees over the increase in the cash surrender value of the policies, when the carrier is the beneficiary. (See note under § 182.01-22.)

(h) Other deductions from gross income.

EXTRAORDINARY INCOME

§ 182.8100 *Extraordinary income credits.* This account shall include the amounts of income credits applicable to the current period from activities other than those usual and ordinary activities of the carrier that are provided for in accounts 3000 to 7500, inclusive.

ITEMS

1. Profit derived from the retirement of tangible and intangible property. (See § 182.01-21.)
2. Profit derived from the sale of securities of others.
3. Forfeiture of amounts deposited with the carrier, under options or otherwise, for the purchase or lease of property, or for other purposes.
4. Profit derived from the reacquisition and resale of the carrier's securities other than capital stock. (See § 182.01-17.)
5. Current liabilities written off. (See § 182.01-14.)
6. Extraordinary income credits not provided for elsewhere.

§ 182.8200 *Extraordinary income charges.* This account shall include the amounts properly chargeable against income during the current period occasioned otherwise than by those usual and ordinary activities of the carrier that are provided for in accounts 3000 to 7500, inclusive.

ITEMS

1. Losses on the retirement of tangible and intangible property. (See §§ 182.01-21 and 182.01-23 (d).)
2. Losses resulting from the sale of securities of others, including any provision made for declines in value not provided for elsewhere. (See § 182.01-18.)
3. Forfeitures of amounts deposited by the carrier, under options or otherwise, for the purchase or lease of property or for other purposes.
4. Debits representing the difference between the cost of debt obligations reacquired and the amount chargeable to account 1920—Reacquired Securities. (See § 182.01-17.)
5. Adjustment and cancellation of balance sheet accounts representing assets, other than uncollectible revenues and receivables for services rendered and materials and supplies furnished.
6. Inventory, appraisal, hearing and other expenses incident to the contemplated acquisition, sale, or lease of a distinct operating unit (see paragraph (v) of § 182.00-1) or other property, when the projects are abandoned. (See account 1890—Other Deferred Debits.)
7. Losses of funds due to bank failures.
8. Appropriations of income for reserves and other purposes.
9. Extraordinary income charges not provided for elsewhere.

§ 182.8400 *Delayed income credits.* (a) This account shall include the amounts other than minor items (see § 182.01-8) of nonrecurring delayed credits to income applicable to prior years.

(b) Subdivisions of this account shall be so maintained that each delayed item will be classified by years and in accordance with the account that would have been credited had the item been accounted for in the period to which it pertains.

§ 182.8600 *Delayed income charges.* (a) This account shall include the amounts, other than minor items (see § 182.01-8) of nonrecurring delayed charges to income applicable to prior years.

(b) Subdivisions of this account shall be so maintained that each delayed item will be classified by years and in accordance with the account that would have been debited had the item been accounted for in the period to which it pertains.

INCOME TAXES

§ 182.8800 *Income taxes.* (a) This account shall be charged each month with its proportion of the estimated amounts of Federal, state or other income taxes payable on the net annual income or profits of a corporation or unincorporated business.

(b) This account shall be subdivided as follows:

8310—Federal Income Taxes.
8320—State Income Taxes.
8330—Other Income Taxes.

NOTE: Personal income taxes of sole proprietors and members of partnerships shall not be charged to this account; if paid from funds of the business, the amounts thereof shall be charged to account 2800—Sole Proprietorship Capital, or account 2810—Partnership Capital, as appropriate.

NOTE: Form of income statement.

I. CARRIER OPERATING INCOME

Revenues:
3000. Operating Revenues-----
Expenses:
4000. Operation and Maintenance Expenses-----
5000. Depreciation Expense-----
5100. Depreciation Adjustment-----
5150. Amortization Chargeable to Operations-----
5200. Operating Taxes and Licenses-----
5300. Operating Rents—Net-----
Total Expenses-----
Net Operating Revenue-----
5400. Lease of Distinct Operating Unit—Debit-----
5500. Lease of Distinct Operating Unit—Credit-----
Net Carrier Operating Income-----

II. OTHER ORDINARY INCOME

6100. Income from Non-Carrier Operations—Net-----
6300. Interest Income-----
6400. Dividend Income-----
6500. Other Non-Operating Income-----
Total Other Ordinary Income-----
Gross Ordinary Income-----

III. DEDUCTIONS FROM ORDINARY INCOME

7100. Interest-----
7300. Amortization of Debt Discount and Expense-----
7400. Amortization of Premium on Debt—Credit-----
7500. Other Deductions-----
Total Deductions from Ordinary Income-----
Net Ordinary Income-----

(The order in which the accounts are presented in this Form of Income Statement is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission.)

IV. EXTRAORDINARY INCOME

8100. Extraordinary Income Credits-----
8200. Extraordinary Income Charges-----
8400. Delayed Income Credits-----
8600. Delayed Income Charges-----
Total Extraordinary Income-----
Net Income Before Income Tax-----
8800. Income Taxes-----
Net Income (or Loss) Transferred to Earned Surplus-----

The Uniform System of Accounts prescribed and approved by the Commission's order of November 29, 1937, 49 CFR Part 182, as modified and amended by supplemental orders, be and it is hereby canceled, effective January 1, 1948.

A copy of this order shall be served upon each Class I Common and Contract Motor Carrier of Property subject to the Interstate Commerce Act and upon every trustee, receiver, executor, administrator, or assignee of any such motor carrier, and that notice of this order be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-10344; Filed, Dec. 10, 1947; 8:54 a. m.]

TITLE 22—FOREIGN RELATIONS

Chapter I—Department of State

[Departmental Reg. 103.53]

PART 61—VISAS: DOCUMENTARY REQUIREMENTS FOR ALIENS ENTERING THE UNITED STATES

FORM OF PASSPORT VISA

Pursuant to the authority contained in R. S. 161 (5 U. S. C. 22), and in conformity with section 24 of the Immigration Act of 1924 (43 Stat. 166; 8 U. S. C. 222), Title 22, Part 61, § 61.114 (a) of the Code of Federal Regulations, as amended (Departmental Regulations 108.12 and 108.34; 11 F. R. 8904 and 14611), is hereby amended to read as follows:

§ 61.114 *Form of passport visa.* (a) In granting a passport visa to a non-

immigrant alien, a rubber stamp in the following form should be impressed upon the alien's passport or other appropriate document, the stamp to be placed, when practicable, upon the reverse side of the sheet or page of the passport bearing the photograph of the holder:

No. _____ Date _____
Seen for presentation at United States ports by _____
while passport is valid but not exceeding _____ months from above date. Passport must be valid 60 days beyond intended stay.
Seal _____
Fee _____
Stamp _____

At _____ Consul.

Sec. 3() _____ Classification _____
Application No. V. _____

This section shall become effective immediately upon publication in the FEDERAL REGISTER. The publication of notice and the public procedure referred to in section 4 of the Administrative Procedure Act (60 Stat. 238) with respect to the substantive provisions of this regulation are not required because this regulation involves foreign-affairs functions.

(R. S. 161 sec. 24, 43 Stat. 166; 5 U. S. C. 22, 8 U. S. C. 222)

Approved December 8, 1947.

[SEAL] ROBERT A. LOVETT,
Acting Secretary of State.

Recommended, October 30, 1947, so far as the provisions of the Immigration Act of 1924 are concerned, by:

TOM C. CLARK,
Attorney General.

[F. R. Doc. 47-10335; Filed, Dec. 10, 1947; 8:46 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR, Part 541]

DEFINITION OF TERMS

PROPOSED RULE MAKING

Notice of opportunity to file written statement in lieu of appearance at hearing on proposed amendments to Part 541 of regulations with respect to the definition of the terms "executive, administrative, professional, or local retailing capacity, or * * * outside salesman" as they affect employees covered by the provisions of the Fair Labor Standards Act.

Whereas, by document dated October 16, 1947, published in the FEDERAL REGISTER, October 22, 1947 (12 F. R. 6863-64) notice was given of a public hearing to be held beginning December 2, 1947, at which interested persons would be heard relevant to certain proposed revisions of regulations, Part 541 (Code of Federal Regulations, Title 29, Chapter V Part 541) defining and delimiting the terms "any employees employed in bona fide

executive, administrative, professional or local retailing capacity or in the capacity of outside salesman," pursuant to section 13 (a) (1) of the Fair Labor Standards Act of 1938 (54 Stat. 1060; 29 U. S. C. 201 et seq), and,

Whereas, said notice provided that written statements in lieu of personal appearance might be filed at any time prior to the date fixed for the beginning of said hearing; and,

Whereas, it appears desirable to extend the time for filing written statements in lieu of personal appearance at said hearing.

Now, therefore, notice is hereby given that written statements in lieu of personal appearance at said hearing may be filed with the undersigned at any time prior to the close of business on February 16, 1948. Said written statements shall be filed with or mailed to the Administrator of the Wage and Hour Division, United States Department of Labor, Fourteenth and Constitution Avenue, Washington, D. C.

Signed at Washington, D. C., this 5th day of December 1947.

WM. R. McCOMB,
Administrator

Wage and Hour Division.

[F. R. Doc. 47-10882; Filed, Dec. 10, 1947;
8:46 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR, Part 18]

[Docket No. 8659]

INDUSTRIAL, SCIENTIFIC AND MEDICAL SERVICES

NOTICE OF PROPOSED RULE MAKING

1. Notice is hereby given of proposed rule making in the above entitled matter.

2. The Commission proposes to amend §§ 18.11 (a) and 18.21 (a) of Part 18, "Rules and Regulations Relating to Industrial, Scientific and Medical Service" to read as follows:

§ 18.11 *Operation within assigned frequency bands.* (a) Such operation must conform to the general conditions of operation set out in the guarantee or certificate required by paragraphs (c) and

(d) of this section. Operation must be confined to one or more of the bands of frequencies hereafter set forth:

(1) THESE FREQUENCIES MAY BE USED ONLY UNTIL
JUNE 22, 1952, BUT NOT THEREAFTER

Assigned-band ¹ (kc)	Center frequency of channel (kc)	Tolerance from center frequency (kc)
13,652.5-13,667.5.....	13,660	±7.5
27,160.0-27,480.0.....	27,320	±160.0
40,960.0-41,000.0.....	40,980	±20.0

(2) THESE FREQUENCIES ARE AVAILABLE IMMEDIATELY
AND MAY BE USED AFTER JUNE 30, 1952

13,553.22-13,566.78.....	13,560	±6.78
26,957.28-27,282.72.....	27,120	±162.72
40,659.66-40,700.34.....	40,680	±20.34

¹ By public notice and order dated December 26, 1946, the Commission also announced the availability of the frequency 2,450 Mc ±50 Mc as being available for industrial, scientific and medical purposes. It was expressly stated in the said public notice and order that such use of the frequency 2,450 Mc would be governed by the conditions set forth in that order and set out as Appendix A hereto rather than Part 18 of the Commission's rules.

§ 18.21 *Operation within assigned frequencies.* (a) In accordance with the general conditions of operation set out in the certification required by paragraph (c) of this section, such operation shall be confined to one or more of the following bands of frequencies:

(1) THESE FREQUENCIES MAY BE USED ONLY UNTIL
JUNE 30, 1952, BUT NOT THEREAFTER

Assigned band (kc) ¹	Center frequency of channel (kc)	Tolerance from center frequency (kc)
13,652.5-13,667.5.....	13,660	±7.5
27,160.0-27,480.0.....	27,320	±160.0
40,960.0-41,000.0.....	40,980	±20.0

(2) THESE FREQUENCIES ARE AVAILABLE IMMEDIATELY
AND MAY BE USED AFTER JUNE 30, 1952

13,553.22-13,566.78.....	13,560	±6.78
26,957.28-27,282.72.....	27,120	±162.72
40,659.66-40,700.34.....	40,680	±20.34

¹ By public notice and order dated December 26, 1946, the Commission also announced the availability of the frequency 2,450 Mc ±50 Mc as being available for industrial, scientific and medical purposes. It was expressly stated in the said public notice and order that such use of the frequency 2,450 Mc would be governed by the conditions set forth in that order and set out as Appendix A hereto rather than Part 18 of the Commission's rules.

3. The new frequency 40.680 Mc listed in the proposed amendments to §§ 18.11 (a) and 18.21 (a) was allocated by the International Telecommunications Conference (Atlantic City, 1947) for the said services, and becomes effective internationally January 1, 1949 as provided by the International Radio Regulations. The frequencies 13.560 Mc and 27.120 Mc will become effective internationally when adopted by the Provisional Frequency Board. It is proposed that these three frequencies be made immediately available in the United States. It is further proposed that under authority of section 88 of the said International Radio Regulations use of the frequencies presently allocated by the Federal Communications Commission be continued until June 30, 1952 provided no interference is caused to authorized radio services.

4. The proposed amendments are issued under the authority of sections 301 and 303 (c) (f) and (r) of the Communications Act of 1934, as amended.

5. Any interested party who is of the opinion that the proposed amendment should not be adopted, or should not be adopted in the form set forth herein, may file with the Commission, on or before December 22, 1947, a written statement or brief setting forth his comments. The Commission will consider all comments submitted to it before taking any final action with respect to the proposed amendments. If any comments are received which appear to warrant the Commission in holding an oral argument before final action is taken, notice of the time and place of such oral argument will be given interested parties.

6. In accordance with the provisions of § 1.764 of the Commission's rules and regulations, an original and 14 copies of all statements, briefs or comments filed shall be furnished the Commission.

Adopted: November 28, 1947.

Released: December 3, 1947.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-10890; Filed, Dec. 10, 1947;
8:46 a. m.]

NOTICES

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 10096]

IWAMATSU KATO

In re: Rights of Iwamatsu Kato under insurance contract. File No. F-39-5830-H-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Iwamatsu Kato, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan),

2. That the net proceeds due or to become due under a contract of insurance evidenced by Policy No. 94584, issued by the West Coast Life Insurance Company, San Francisco, California, to Iwamatsu Kato, together with the right

to demand, receive and collect said net proceeds, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a

national of a designated enemy country (Japan)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10892; Filed Dec. 10, 1947;
8:47 a. m.]

[Vesting Order 10097]

EMILY KOCH

In re: Rights of Emily Koch under insurance contract. File No. F-28-24414-H-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Emily Koch, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany)

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 4095410A issued by the Metropolitan Life Insurance Company, New York, N. Y., to Emily Koch, together with the right to demand, receive and collect said net proceeds, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany)

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10893; Filed, Dec. 10, 1947;
8:47 a. m.]

[Vesting Order 10093]

HEINZ LOOSE

In re: Rights of Heinz Loose under insurance contract. File No. F-20-24371-H-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Heinz Loose, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany),

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 4006613C, issued by the Metropolitan Life Insurance Company, New York, N. Y., to Heinz Loose, together with the right to demand, receive and collect said net proceeds, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10894; Filed, Dec. 10, 1947;
8:47 a. m.]

[Vesting Order 10103]

EUNICE H. MICHAELLES

In re: Rights of Eunice H. Michaelles under an insurance contract. File No. D-20-1944-H1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Eunice H. Michaelles, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany)

2. That the net proceeds due or to become due under a contract of insurance evidenced by Policy No. 9033432 issued by The Prudential Insurance Company of America, Newark, New Jersey to Georgina Balfour Harrah, together with the right to demand, receive and collect said net proceeds, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany)

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10335; Filed, Dec. 10, 1947;
8:47 a. m.]

[Vesting Order 10102]

GUSTAV OBERNEIER

In re: Estate of Gustav Oberneier, deceased. File D-28-9751; E. T. sec. 13674.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Minna Lubjuhn, whose last known address is Germany, is a resident of Germany and national of a designated enemy country (Germany),

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the Estate of Gustav Oberneier, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany)

3. That such property is in the process of administration by Leo A. Reuther, as executor, acting under the judicial supervision of the Probate Court of the State of Minnesota, in and for the County of Wilkin;

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10896; Filed, Dec. 10, 1947; 8:47 a. m.]

[Vesting Order 10105]

ANNA RAMSCHIED

In re: Estate of Anna Ramscheid, a/k/a Anna Margarete Ramscheid and Anna M. Ramscheid, deceased. File No. D-28-11963; E. T. sec. 16148.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Renate Freese and Charlotte Bottcher, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany)

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1 hereof in and to the Estate of Anna Ramscheid, also known as Anna Margarete Ramscheid and Anna M. Ramscheid, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany),

3. That such property is in the process of administration by Ines S. Hoffman, as Administratrix, acting under the judi-

cial supervision of the Surrogate's Court of Queens County, New York;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10897; Filed, Dec. 10, 1947; 8:47 a. m.]

[Vesting Order 10123]

COMMERZ UND PRIVATBANK

In re: Bank accounts owned by Commerz und Privatbank.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Commerz und Privatbank, the last known address of which is Berlin, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany)

2. That the property described as follows:

a. That certain debt or other obligation owing to Commerz und Privatbank, by The National City Bank of New York, 55 Wall Street, New York, New York, arising out of a dollar checking account, entitled Commerz und Privatbank, Berlin, Germany, and any and all rights to demand, enforce and collect the same, and

b. That certain debt or other obligation owing to Commerz und Privatbank, by The National City Bank of New York, 55 Wall Street, New York, New York, arising out of a dollar checking account, entitled Commerz Bank A/G Sub Depot B. Gen. Ruling #6, Hamburg, Germany, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or de-

liverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 47-10899; Filed, Dec. 10, 1947; 8:47 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 8344, 8402, 8403]

FOSS LAUNCH AND TUG CO. ET AL.

ORDER SCHEDULING HEARING

In the matter of Foss Launch and Tug Company, Seattle, Washington, File No. 709/710-PE-B, Docket No. 8344, Mesceck Towing Lines, Inc., New York, New York, File No. 7662/7663-PE-B, Docket No. 8402; Moran Towing & Transportation Company, New York, New York, File No. 9730/9731-PE-B, Docket No. 8403; for construction permits in the experimental service.

It is ordered, That Commissioner E. M. Webster is assigned to preside at the hearing in the above-entitled matter, scheduled for December 15, 1947, at the Commission's offices in Washington, D. C., and that an initial decision in lieu of the Commission's proposed decision be prepared by the presiding officer in accordance with the provisions of § 1.851 (b) and (c) of the rules and regulations of the Commission.

Notice is hereby given that § 1.857 of the Commission's rules and regulations is not applicable to this proceeding.

Dated: November 26, 1947.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-10889; Filed, Dec. 10, 1947; 8:46 a. m.]